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Optimistic Howe discounts Tory scepticism

By Hugh Noyes, Parliamentary Correspondent, Westminster

Continued optimism about the nation's economic prospects came from Sir Geoffrey Howe, Chancellor of the Exchequer, in the Commons yesterday.

Confirming the hopeful mood of the Prime Minister at the Lord Mayor's Banquet on Monday and Wednesday's encouraging output and earnings figures, Sir Geoffrey told the House that the worst of the recession was probably over.

Figures for the third quarter of the year showed that manufacturing output rose by 1.1 per cent, output in chemicals and allied industries by 6 per cent and in engineering and allied industries by 2 per cent. That evidence, he said, confirmed his earlier judgement that the worst was behind us.

A few minutes later Mrs Margaret Thatcher was also reinforcing the view that government strategy remains on course when she told the House that inflation was "in general" still falling.

Because of the change in the exchange rate, the Prime Minister said, there might be further immediate increases in the inflation rate. After that the downward trend would be resumed.

It was noticeable that in spite of repeated questions from the Labour benches neither Treasury ministers nor the Prime Minister said when the rate, now at 11.7 per cent, would be reduced to single figures previously predicted for the end of the year.

But it seemed clear that the optimistic in the more refined air near the summit of government was not being reflected among the sceptics on the Tory backbenches. In alone in the Labour outbreak.

Mr Jack Straw, on the opposition front bench, pointed out that during questions to the Chancellor only three of 16 interventions from Tory had been sympathetic to Sir Geoffrey and his policies.

Whether or not Mr Straw's estimate was strictly accurate, it must have been evident to the Chancellor that he was not yet carrying his own side with him.

Nissan study of plan to end strikes

By Clifford Webb, Midlands Industrial Correspondent

The pioneering "no strike deal" struck between Toshiba, the Japanese electronics firm, and the electronics union could have a big part to play in the future of Nissan's project to build a £200-million a-year car plant in Britain using a workforce of 4,000.

The news that the 300 employees at Toshiba's Plymouth plant have agreed to substitute an industrial arbitrator for the British workers' ultimate bargaining weapon coincides with a new statement from Nissan on the progress of its British plans.

It shows that the supposedly uncompetitive price of British components is the main stumbling block. The project now hinges on two other factors: the attitude of local authorities to having the plant in their area, and obtaining acceptable deals with trade unions.

The latest issue of *The Engineer* quotes Mr Masataka Okuma, Nissan's executive vice-president in charge of overseas operations, as saying in a Tokyo interview that the results of the feasibility study have been "positive so far". But he adds: "If the negotiations with the unions and local authorities are very unsatisfactory, then it is possible we will give up the idea."

Nissan is insisting on a greenfield site away from established motor industry areas because it feels traditional working practices and multination negotiations would make it impossible for it to obtain the flexibility of labour necessary in such a highly automated factory.

Toshiba has overcome the multination problem by conceding sole bargaining rights to the electronics union. Nissan wants the same sort of deal and is encouraged by Toshiba's breakthrough.

It believes that the one-class society which prevails in its own plants, directors and workers wearing the same uniform and eating in the same canteen, can break down class barriers in British industry.

Preliminary talks took place some months ago between Nissan executives and Mr Mostyn Evans, of the Transport and General Workers' Union, and Mr Terence Duffy, of the Amalgamated Union of Engineering Workers. They are expected to resume in the new year, with the TUC watching the interests of smaller unions.

Businessmen in north-west England were discussing the possibility yesterday of introducing Japanese-style working methods to improve productivity and quality (see *Press Association reports*). More than 100 heavy industrialists discussed the "quality circle" at a seminar organized by the Confederation of British Industry in Warrington.

Troubles brew over BSC, seamen and BL Steelmen may ban overtime over job losses

By Clifford Webb, David Felton and Donald Macintyre

Leaders of the biggest steel union will consider this morning calling a national overtime ban in a protest over wages, working hours and plans to cut more than 15,000 jobs in the industry.

The Iron and Steel Trades Confederation will consider the move, less than 24 hours after being told that British Steel Corporation losses have been more than halved over the last four months to £16m a week.

The Confederation executive will meet in the wake of several hours of talks yesterday with Mr Peter Brockham, BSC's industrial relations director, and eight of his senior colleagues at the union's London headquarters.

Mr Brockham went to the ISTC meeting to urge the union to lift its ban on the local negotiations which BSC's chairman, Mr Ian MacGregor, has said constitute the only method of yielding more money this year.

Mr MacGregor told the industry's 108,000 employees that there will be no national pay increase this year and that any further cash negotiated at plant level must be on the basis of "something for something".

The union's anger has been increased by BSC's further plans to cut the labour force to 90,000 which means after reductions of 70,000 in the last 18 months will leave the company with 20,000 employees.

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A mass meeting of the 2,200 workforces yesterday voted by four to one to stay out but agreed to meet again on Sunday morning. A hall has been booked away from the plant.

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Killer of a judge threatens another

The murderer of a judge stood in court yesterday for a second time, threatening to "cut the throat" of the judge who sentenced him.

John Smith, aged 31, who kept a "hit list" which included other judges and two top politicians, shouted: "I won't forget you," to Mr Justice Lawson as he was taken from the dock to the Crown Court. "I'll cut your throat when I get out," he shouted.

Mr Smith, of no fixed address, had been found guilty of murdering Judge William Oakeshaw, aged 68, who gave him an 18-month "borstal" sentence 13 years ago. After the verdict, he was taken to the Crown Court for sentencing.

Earlier Mr Michael Maguire, QC, for the prosecution, told the court that Mr Smith "went to Judge Oakeshaw's home at Brougham, near Preston, in May full of hate and bent upon revenge", intending to "settle what he considered to be an old score".

He hid in the rafters of the judge's garage one night. When the judge went into the garage the next morning, Mr Smith dropped down and stabbed him 12 times with a knife. The judge died from multiple stab wounds to the head, neck and chest.

Mr Smith was surprised by the judge's wife who ran to call the police. He fled and waved down Mr Walter Hyde, a passing motorist, and forced him to transport him to the court. In a wood near Hawick, Mr Smith told Mr Hyde to a tree, took his impetus and drove off in his car.

Det. Chief Inspector Geoffrey Meadows said that he had asked Mr Smith: "Why did you do it, John?" He said that Mr Smith replied: "Because he was a bastard. He sent me down the first time of five charges, unauthorized taking, housebreaking, shoplifting, terrorism. I never gave him a chance."

A plea of not guilty was entered on Mr Smith's behalf. The jury also found him guilty of kidnapping Mr Hyde and were discharged from giving a verdict on a charge of false imprisonment. On the kidnapping charge he was sentenced to five years, to run concurrently with the life sentence.

Science report Badgers' diet is mainly of worms

By Tony Samstag

For many years badgers have been described as omnivorous and opportunistic feeders, meaning that they would eat almost anything available. More recent studies have found that their earthworm diet is much more important than the word "specialist" might be more appropriate.

In fact, according to an article in the latest issue of the *Journal of Animal Ecology*, both are true. The authors, Dr. P. J. van Soest of the Institute of Terrestrial Ecology, studied badger faeces collected from six sites in Scotland at twice-monthly intervals between 1975 and 1978. According to their analysis, earthworms were by far the most important food item, constituting more than half the badgers' diet.

The most common items were rabbits, cereals, insects and pigweed, in that order, altogether 28 per cent of the diet. There was further evidence that the badgers' diet was not as varied as once thought. Badgers made more strenuous efforts to find them.

This would be the foraging pattern of a worm specialist, which makes use of opportunistic provided by the availability of other foods. The findings also confirmed the dependence on agriculture of the badgers: the "relevant" species of worms, *lumbricus terrestris*, is associated with farmland.

Source: *Feeding specialisation of the European badger, Meles meles*, in Scotland, by H. Kruskal and T. Parish. *Journal of Animal Ecology* (1981), vol. 50, pp. 773-783. British Ecological Society, 62 London Road, Reading RG1 5AS.



Members of the cast of "Her Royal Highness", a new comedy which opens at the Palace Theatre, London, tomorrow. From left: Gwen Nelson (the Queen Mother), Morar Kennedy (the Queen), Francis Lloyd (Prince Andrew), Eva Lehman (Princess of Wales), Marc Sinden (Prince of Wales) and Rena Anderson (Mrs Shand Kydd).

Princess Anne faces animal protest

Princess Anne returns to London today from a 10-day visit to Nepal amid strong protests about her conduct from British animal lovers.

According to reports from Kathmandu, she watched a young buffalo tied to a stake being savaged by a wild tiger. Mr Richard Course, executive director of the League Against Cruel Sports, yesterday described the incident as "a ghastly and degrading sight".

The Princess, who is expecting a baby next June, has telephoned Lord Spencer, her father, regularly but her honeymoon and a busy schedule of engagements have kept away from the family home in Northamptonshire, since before her marriage.

She will have lunch with her father and Lady Spencer, her stepmother, on the way to her second solo public engagement. She is to open new premises for the Royal Mail in the Northampton area this afternoon.

Yesterday the Princess who was looking fit and well after her recent bout of morning sickness, went to Hyde Park to plant three trees, two to commemorate her marriage at St Paul's Cathedral and one for her unborn child.

Her husband also planted three trees in a copse in Hyde Park in remembrance of Lord Mountbatten of Burma, his late great uncle.

The Princess of Wales has a Welsh hero's blood in her veins: that of Owen Glendower, the 14th-century Prince of Wales, according to Mr Patrick Montague-Smith, the genealogist.

In the early fifteenth-century Glendower had a "national rebellion" during which he defeated the King's army three times. Mr Montague-Smith, former editor of *Debut*, says the Princess is descended from Glendower's sister.

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NEWS IN SUMMARY

Social service chiefs protest to Fowler

Mr Norman Fowler, the new Secretary of State for Social Services, was told in no doubtful terms yesterday of the growing unpopularity among senior social services officers and politicians of cuts in spending and proposals to control further local government finance (see *News* page 1).

After he arrived in Birmingham to address the annual local authority social services conference, he was presented with statements from both the main local authority associations and the Association of District Councils. Social Services, urging that the rates Bill be dropped.

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Evicted builder 'failed to understand deal'

A builder whose family was evicted from their home of 16 years when a solicitor insisted on his rights under a "buy-back" clause did not understand the terms on which he bought the house, his counsel told the Court of Appeal yesterday.

Mr Gerald Godfrey, QC, said that Mr Thomas Danby was hard up and homeless when he agreed to buy a cottage at Eltham, near Hull, from Mr Richard Langdale, a solicitor.

Mr Langdale owed a duty to Mr Danby to explain the terms of the sale, which included a clause allowing the solicitor to buy back the house at its original price even after 21 years.

As it was the sale turned on "a deal between a solicitor and an impecunious and effectively homeless self-employed builder", counsel said, Mr Langdale acted as Mr Danby's solicitor during the deal but should have encouraged him to take independent legal advice.

Mr Danby, aged 43, his wife Patricia, and their three children were evicted from the cottage in September. They had bought it from Mr Langdale in 1965 for £2,362.

In 1979 Mr Langdale won a court order to require Mr Danby to repay the mortgage, though it was then worth £25,000. Since their eviction

the Danbys have been living with relatives.

Their appeal yesterday was against that court order. Mr Godfrey told Lord Denning, Lord Justice Dunn and Lord Justice Fox that in a perfect world the Court of Appeal should decide the matter there and then. But because the full facts of the case had not been aired at the original trial it was likely that all the court could do was order a new trial.

In 1964, he said, Mr and Mrs Langdale bought a big house and a cottage in five acres at Brookdale, Eltham, for £11,500. The cottage was sold to the Danbys, who paid for it partly with a building society mortgage and partly with a loan from the Langdales.

The buy-back clause was part of the agreement. Mr Godfrey said he would argue that, in drafting such a clause to run over such a long period, it would have been appropriate to provide for a valuation of the property instead of fixing the price at 1965 levels.

It was clear, he said, that the Danbys' case had not been put fully before Mr Justice (now Lord Justice) Oliver in 1979. He could not defeat the judge's decision, but "a summary judgment, such as this, is a very harsh thing. The case continues today."

Drugs jury spend night in hotel

The jury in the cannabis smuggling trial at the Central Criminal Court were sent to a secret London hotel for the night after failing to reach verdicts yesterday. They will resume their deliberations this morning.

The eight women and four men had earlier been told by Judge Peter Mason to consider the evidence very carefully in the case against three men, Dennis Howard Marks, an Oxford graduate, Morgan Stewart Prentiss, an American, and Hedley Morgan.

Mr Marks, the prosecution alleges, was the British mastermind of an operation to smuggle into this country 15 tons of high quality Colombian cannabis with a street value of £2m.

Mr Prentiss is said to have organised the transport of the cannabis to other parts of the country, and helped with its initial landing on a lonely Scottish beach.

Mr Morgan is alleged to have counted the hundreds of thousands of pounds which came in from the sale of the cannabis and paid it into various bank accounts.

Mr Marks, said in evidence, that he worked for British intelligence against the IRA. He told the court that at the request of British intelligence he worked for a secret Mexican government department set up to track the source an organizer of drug smuggling.

Council to favour the blacks

Positive action in favour of black people, the setting of targets in training and housing, and "race awareness" lessons for white people have been introduced in the London borough which contains Brixton.

The programme adopted by Lambeth, described in a book published yesterday by the Community Trust and South London Equal Rights Council, is seen as a pioneering and vigorous attack on racial discrimination in Britain.

Adopted two years ago by the new Labour administration led by Mr Ted Knight, the positive action policy is carried out by a race relations unit, which until now has been headed by Mr Herman Ouseley.

Mr Ouseley, who wrote *The System with help from two other people, is the newly appointed race relations adviser to the Greater London Council. He describes how the Lambeth unit, which had direct access to chief officers, tried to involve black people in decisions made by the council.*

The effort failed. Mr Ouseley concludes that the only solution is for blacks to get into management positions or policy-making. Although a quarter of Lambeth's population is black, there are no black councillors and few senior black officials.

The Crosby candidates, 1: John Butcher (Conservative)



On the hustings: Mr Butcher puts the Tory view.

Confident but not complacent

The Conservative candidate's day began with a morning call and tax at 6.30 am in the room at the Royal Hotel on Crosby's "riverfront" where he is staying with his wife, Carol.

At 7 am Mr Butcher, a former Royal Naval Reserve officer, was sitting down to a full English, working breakfast.

The work consisted mainly of reading the morning papers brought to him by Mr William Haresnape, his even earlier rising press aide.

At 7.40 a little convoy of two modest Mini cars departed for Waterloo Station, on the Southport-Liverpool line, which a lot of people have now discovered is not only the reason for the 80,000 constituents in Crosby but also provides very good canvassing, lobbying and straw-polling facilities on the six stations.

Mr Butcher, arrayed in a military-style overcoat despite

his naval background, a checked flat hat and a maroon scarf, shook or attempted to shake hands with about 1,000 people either going to work in Liverpool or coming to work in Crosby.

The next stop was the Conservative headquarters, which is in a sort of superior mobile building site cabin. He spent an hour dealing with correspondence in one of the rapidly erected side offices while his wife began dispensing coffee and sympathy to jaded journalists and bright-eyed and bushy-tailed voluntary party workers.

At 10.15 we all left for Formby, the northernmost of the three townships in the constituency and the most assured Tory heartland. A coffee morning in the home of Mrs Eva Blunden, secretary of the Formby Conservative Women's Group, followed.

All was reasonably well, Mr Butcher assured the assembled ladies that there was to be no complacency. Next we went to Formby's shopping centre, where Mr Butcher shook every hand in sight and conducted the second of his informal lunchtime public house press conferences. He revealed that he was unemployed a year ago after being made redundant.

After that the entourage left to do some more handshaking in some of the villages.

□ Ladbrokes' odds on the by-election make the SDP hot favourites at 4-7, with the Tories at 6-5 and Labour 50-1.

□ The National Heritage Fund, the Government financed organization that helps to save works and land

which are part of the heritage, can spend its money only on items of national importance and could not have been used to help to buy the Kokoschka, Dürer or Lotto. But the Rubens, which

has been in England since at least the Eighteenth century, and was once owned by Sir Joshua Reynolds, meets their requirements.

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Rubens sale may save the Seilern collection

By Frances Gibb

The purchase of a Rubens painting for the nation for £300,000 is expected to be announced today to avert the splitting up of the £50m art collection bequeathed to the Courtauld Institute by Count Amine Seilern.

It was revealed last month, to the great dismay of the art world, that five works from the collection, by Dürer, Lotto and Kokoschka, were due to be sold at Christie's over the next month because the executors of the estate were faced with tax debts and other liabilities.

Count Antoine Seilern left his outstanding collection of Old Masters to the Courtauld Institute in 1978 on the strict condition that it should remain intact, but the executors could see no other way out of their difficulties.

It is believed, however, that the National Heritage Memorial Fund, the Victoria and Albert Museum's purchase aid fund and London University have now agreed to find the cash necessary to buy the Rubens, "Landscape by Moonlight", thus saving the other works from auction.

The rescue plan means if effect that the Rubens and the five works intended to be sold, will stay at the Courtauld and the collection will remain intact.

The solution to the executors' dilemma came after last-minute negotiations in Whitehall, spurred on by the personal interest of Mr Paul Channon, the Minister for the arts.

The National Heritage Fund, the Government financed organization that helps to save works and land which are part of the heritage, can spend its money only on items of national importance and could not have been used to help to buy the Kokoschka, Dürer or Lotto. But the Rubens, which has been in England since at least the Eighteenth century, and was once owned by Sir Joshua Reynolds, meets their requirements.

NEWS IN SUMMARY

Bride from Spain took husband for a ride

The wedding champagne had hardly lost its fizz before Mr Louis O'Brien's marriage ended. After a telephone proposal to his Spanish sweetheart and a lightning wedding by special licence in London days later, it seemed a fairytale love story.

But half-way through the wedding reception the bride borrowed £500 from her new husband for "a quick shopping trip" to the West End to buy honeymoon clothes.

That was the last the club owner saw of his bride, a London Divorce Court judge was told yesterday.

The bride, aged 26, pocketed the £500 and went back to Spain. Granting a decree of nullity in an undefended suit to Mr O'Brien, aged 36, of Golden Close, St Matthews Road, Bethnal Green, London, Judge Callman wished him "better luck next time".

Warder stabbed in heart

The prison officer injured in London when three men escaped on Wednesday from a van carrying them from the Central Criminal Court to Brixton Prison was stabbed through the heart.

Det Chief Supt Jerry Plowman said yesterday that at first it was believed the officer was not badly injured. But he had a relapse and it was discovered that a knife blade had punctured his heart.

He was named as Mr Fendry, aged 31, a married

man. He is in the intensive care unit at St Thomas' Hospital, where his condition was described yesterday as stable.

Mr Plowman said no photographs of the prisoners would be issued yet, as he did not want to jeopardize their hearing.

Mr Alvaro Damiani, aged 28, an Italian, who was stabbed when his car was hijacked by the escapees, was said to be in a satisfactory condition in hospital.

Memorial nudes upset mayor

Photographs of girls posing semi-naked on a Bournemouth war memorial have upset the mayor. Mr Gordon Anstee said it was "dragging the bottom of the barrel of bad taste" to use the memorial in pictures which appear in the current issue of a magazine published by the Paul Raymond Organization.

Harpoon protest

Members of Greenpeace, the conservationist pressure group, yesterday chained themselves to the gates of the Norwegian Embassy in London. They were protesting against what they called inhumane harpoon methods used by Norwegian whalers, and left after an inquiry was promised.

Anthrax still on island

Tests carried out two years ago by Ministry of Defence scientists have confirmed that Gruinard Island, off the west coast of Scotland and used during the war for germ warfare experiments, is still heavily contaminated with anthrax spores, according to an article in the magazine *Nature*.

Last month protesters, who wanted the island cleaned up dumped anthrax-contaminated soil at the Porton Down chemical warfare centre in Wiltshire.

Immigration study

Immigration from the Indian subcontinent is to be the subject of the next inquiry by the House of Commons Committee on Race Relations and Immigration.

ITN will pioneer news service

By Kenneth Gosling

Independent Television News has negotiated a £5.5m agreement with Channel Four, the new independent television service, to provide a weekday, hour-long programme of news and news analysis.

It is the biggest contract so far negotiated by the channel, which begins broadcasting next week November, and in the first instance will last four years. According to a joint statement yesterday, the programme will be the first of its kind on British television and will broaden news coverage. The programme will go on the air at 7 pm.

Mr David Nicholas, editor and chief executive of ITN, said the contribution to Chan-

nel Four was "probably the most significant extension of news programmes since News at Ten first went on the air in 1967".

The programme would enable coverage of business, industry, science, technology and the arts to be expanded and developed. ITN will take on 90 extra staff, one third of whom will be journalists.

□ A limited amount of bad language in television drama may be acceptable to establish characters and plots, the Independent Broadcasting Authority says today in its annual guide.

The same rules apply to sex and violence; but the authority admits that it has difficulty in drawing the line

between what is and what is not acceptable or necessary.

On future developments, the authority says a fifth of the population will not be able to watch Channel Four when it opens next year.

Twenty of the 51 main transmitters will not be ready until 1983-84 and most of the 500 or so low-power local relays (except those for the Welsh channel, which has priority) will be equipped after the start of the programmes.

Television & Radio 1982. (Published by the IBA, £2.90, or direct from distributors, TTP, 247, Tottenham Court Road, London W1P 0AU, £3.77).

'Poll tie-break could involve the Queen

By a Staff Reporter

The Queen might be called on to help choose the government if the next general election produces three big parties in the Commons; a role that might be obscured by the way television treats the monarchy as a show business spectacular.

That is the view of Mr Alastair Burnet, senior news caster for News at Ten and a member of the board of Independent Television News, expressed in the monthly journal of the Independent Broadcasting Authority today.

Television's portrayal of the monarchy may be misleading people about the part the Queen already plays, he says. Referring to the next election Mr Burnet says: "If that part is not widely accepted and understood beforehand, it could prejudice the monarchy's own future."

"The royal wedding may turn out to have been the last splendid act of the ceremonial, dignified monarchy

that has been built up over the centuries. The next act could be very different."

After the next election, the Crown could be called on to help, as a sort of constitutional ACAS, in the negotiations over who forms the government. The function remained in the monarchy, even if the politicians liked to think it had been tidied away under the Bagshotian formula of "advise, encourage and warn."

It might be a short and reasonably well-mannered process, as in March 1974, but it might be complicated, lengthy and bad-tempered if any party was to divide or to try to ditch its leader.

"The palace might have to call in several contenders for the premiership and the very order in which they were consulted might even decide the issue. It would be a new and difficult dimension."

steadying, friendly, apolitical monarchy would be believed after a bitter political crisis in which the losers maintain that they had been cheated by the system or by a palace blunder.

He says there are now the makings of a big row between younger members of the Royal Family, who feel there have been unnecessary press efforts to invade their privacy; and photographers and journalists who think that the royal advisers could be more sympathetic in arranging coverage.

Action urged against rogue car dealers

Mr Gordon Borrie, Director General of Fair Trading, said yesterday that action was needed urgently against rogue dealers in second-hand cars. Despite improvements to the motor industry code of practice, complaints were still at a high level.

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Screening system makes Down's detection easier

By Pearce Wright, Science Editor

A system of medical screening has been devised that makes it easier to detect genetic abnormalities which cause Down's syndrome. It will also monitor damage from radiation and chemical mutagens.

The method uses equipment developed at the Wolfson Research Unit at Manchester University Medical School and the electronics company, Joyce-Loebel, which is part of the Vickers Group.

The procedure is intended for a wide range of medical, scientific and industrial investigations where tiny discrepancies have to be detected in the shape, colour or size of objects.

These objects might be biological specimens, X-rays or similar pictures, photographs from space satellites, video films, spectra plates and industrial components. The technique is referred to generally as image analysis.

The various items are measured by feeding an image of particular objects, through a microscope or a television camera, into a computer processing system which includes a television screen.

The operator indicates which parts of the picture are to be scrutinized. The next step, which depends on the application, involves breaking down electronically the various parts of the picture into more than a million dots. Each dot is categorized as one of 64 grades of a shade of grey.

In monitoring for genetic damage, for instance, the 46 chromosomes that should be seen in a cell under the microscope are identified automatically in the computer image according to their size and shape.

Measurements of their length, width and other characteristics are made in the machine. Any specimen showing signs of abnormality is instantly pinpointed for the cytogeneticist to scrutinize in more detail.

Dr Christopher Taylor, of the Wolfson unit, said his group started work eight years ago to adapt that sort of image analysis, which is available on very large processing systems in a handful of university and industrial research centres, to help with routine medical diagnosis in the average hospital and clinic.

He said most hospitals are overloaded on all screening programmes. For chromosome analysis in prenatal care, alone, 10 times more examinations should be made than it is practicable to perform in the United Kingdom. A small sample of the amniotic fluid that surrounds the foetus in the mother's womb is drawn off and the chromosomes analysed.

In a more specialized application, the new equipment is used at the Hospital for Sick Children, Great Ormond Street, London, to analyse images taken inside the heart.

Vulcans to be phased out a year early

By Henry Stanhope, Defence Correspondent

The RAF will lose its Vulcan-B2 bombers by the middle of next year, a year earlier than expected, because of money worries at the Ministry of Defence. The 48 aircraft, based at Scampton and Waddington, will start to disappear in February.

The delta-winged Vulcan came into service in the late 1950s and carried the nation's strategic deterrent until the job was taken over by the Royal Navy with the Polaris missile in 1967.

It has, however, remained one of Nato's main tactical nuclear weapons systems in Europe, and with its combat radius of about 1,750 miles is catalogued as part of the Long Range Theatre Nuclear Forces.

The Vulcan, slow and heavy by today's standards, will be replaced by the supersonic, swing-wing Tornado, which has a much shorter range. The Canberra, Buccaneer, Phantom and Lightning are other aircraft which are giving way to the Tornado.

The Tornado programme is causing much of the present concern at the Ministry of Defence, with a bill for £1,000m to meet this year. Although its proponents insist that the Tornado has kept unusually well to cost estimates, the total price of £10,000m, excluding weapons, is still the heaviest item in the defence equipment budget.



Comeback for Big Ben's brother

Perhaps the nicest royal wedding present will be unveiled next month when Little Ben (above), a chiming pedestal street-clock one tenth the size of its brother at Westminster, returns to its site near Victoria station in London after an absence of 17 years and a £25,000 restoration.

paid for by the French oil company, Elf Aquitaine (Tony Samstag writes).

The 30-foot-high diminutive masterpiece of Victorian iron foundry stood from 1892 to 1964 opposite the Victoria Palace Theatre, when it was dismantled.

Bomb game protest by son of IRA victim

A soldier creeps up to an unexploded bomb. It goes off in his face. Watching children giggle and clap. That is the scenario of "Bombshell", a new game in the stores for Christmas described by its manufacturers as hilarious.

The game, produced by Waddingtons, is about bungling soldiers being injured while trying to defuse bombs. It has drawn a letter of protest from Mr Stephen Howarth, son of the bomb disposal expert killed by an IRA device three weeks ago in Oxford Street, London.

Waddingtons call it "the explosively funny game" for children aged six and over. Every time the soldiers, called Major Disaster, Sergeant Jimmy Jitters, Private Tommy Twitters and Piper Willie Thumble, fall in their task, they are injured and end up bandaged from head to foot.

The winner is the player left with a surviving soldier. Brigadier Gerald Landy, of the Army Benevolent Fund, a former bomb disposal expert said yesterday: "It is an untimely and slightly tasteless way of making a profit out of a game, especially coming up to Christmas, which is supposed to be a time of peace and good will."

"Children nowadays are often given toys that involve battlefields and so on, and it is an extension of this. But I feel it could have been designed in a way that would be less hurtful to the relatives of soldiers who have died in this way."

Lieutenant-General Sir Napier Crookenden, chairman of the Soldiers, Sailors and Airmen's Families Association, called the game disgusting. "In homes all over Britain there are service widows and orphans who will face Christmas without husband or father, victims of bombs and booby traps designed to kill and maim. To jeer at and make fun of the Army would be bad enough at any time, but this seems particularly disgusting in the present crisis."

Mr Glyn Owen-Hughes, managing director of Waddingtons, said yesterday that the company greatly regretted any distress caused to Mr Howarth and his family. "The game in question was not intended to denigrate in any way the outstanding bravery of those men who risk their lives to ensure the safety of us all."

"The game is based on the popular jack in the box principle and the theme reflects the highly successful TV series, Dad's Army. Within the context of the vast number of war toys which are sold the game has not been seen as offensive."

Waddingtons would not be withdrawing the game. The letter from Mr Howarth had not asked it to be withdrawn.

Harrods said yesterday that it had decided to withdraw the game from sale. Selfridges, in Oxford Street, said it was seeking management advice. Hamleys, in Regent Street, Britain's biggest toy store, said the game was not stocked because the company did not approve of it.

Jury must decide on final dose

The judge summing up in the trial of Paul Vickers and Pamela Collison at Teesside Crown Court referred yesterday to the "very important matter" of who had presented a final prescription for the anti-cancer drug CCNU.

Mr Vickers, aged 47, a Newcastle surgeon, and Miss Collison, his former mistress, of Barnet, Hertfordshire, are accused of murdering Mrs Margaret Vickers, the defendant's wife, with the drug in June 1979.

Mr Justice Boreham directed the jury's attention to the final prescription, made out by Mr Vickers for the drug and dated May 3, 1979. "Who had that prescription dispensed?" the judge asked the jury of seven men and five women.

"It is urged on behalf of Miss Collison that she never dispensed any in 1979."

The judge added that it was said and not denied that on May 4 Mr Vickers was in London at John Bell and Croydon, the chemists, where the prescriptions were dispensed, buying medical equipment.

"It is a very important question because if he did have that one dispensed, and only that one, then where stands his defence?" the judge asked. "His assertion is that it was this blackmailing, or pressuring, woman who was getting the prescriptions and getting them dispensed."

Mr Justice Boreham told the jury there were three questions they had to answer concerning Mr Vickers. First, did he cause his wife to take CCNU? Secondly, did he intend that that CCNU should kill her?

"If the answer to that second question is 'no' or 'we are not sure', then he is not guilty of murder or attempted murder. The essence of both is the intention to kill. But if the answer to that second question is a sure 'yes', then you go on to the third question. Was the CCNU which he caused her to take, the cause of her death?"

The trial was adjourned until today, when the judge will complete his summing-up and the jury will retire to consider their verdicts.

RUBBISH TIP STAYS ON WELSH FEN

By Tony Samstag

An unprecedented lawsuit against the Nature Conservancy Council over the status of the largest lowland fen in Wales has ended in stalemate and incongruity, with a large area of the wetland simultaneously declared a site of special scientific interest (SSSI) and designated a municipal rubbish dump.

Friends of the Earth, the environmental group, among others, brought a writ against the council earlier this year alleging failure to implement its own proposal to extend SSSI status to the so-called "grey area", which covers about 5 per cent of Crymlyn Bog, the 800-acre fen in Swansea.

The NCC subsequently agreed to SSSI status for the area, which does not guarantee inviolability, but under a joint strategy agreed recently with Swansea City Council, it is to continue there, ultimately on another 25 acres.

Most of the surrounding fen, meanwhile, is to be further protected as a national nature reserve set apart from the dump by a protective embankment of fuel ash.

News in summary

Doctors to prescribe no smoking

Patients are going to be "prescribed" advice to give up smoking by means of a new kit designed to produce 500,000 non-smokers a year (Our Health Services Correspondent writes).

Britain's 25,000 family doctors are being given anti-smoking leaflets with a prescription form on the front to give to their patients who smoke. The form will be filled in by the doctor, who will check the patient two to four weeks later.

Research at the Maudsley Hospital, London, has shown that when a doctor gives a patient to give up, provides information about doing so and follows up the advice later, an annual success rate of 5 per cent can be achieved.

Britain has 17 million adult smokers, probably about two thirds of whom visit their doctor each year. If 5 per cent of those stopped smoking, more than 500,000 would give up every year.

The kit have been produced by Action on Smoking and Health and the Health Education Council.

Youths 'choosy about jobs'

Mr Geoffrey Bull, a night club, cafe and property owner, has criticized jobless youngsters who are "choosy" (Our York Correspondent writes). He says he cannot find the leavers who want the chance to get work experience.

He claims that it took months before one young girl accepted his offer of catering and office work rather than staying on the dole.

He thought she would be grateful but she left after a month to rejoin hundreds of jobless school-leavers in the area.

Mr Bull, aged 50, said: "It seems to be the youth opportunities people who block our offers. They told me that there were no suitable kids for the job."

There are 175 unfilled work experience sponsorships in the York area, from a total of 680 offers.

Mr Anthony Greenaway, in the York area careers office, said: "The work experience schemes are becoming more tied to training. It does seem crazy that there are so many offers of sponsorship like Mr Bull's which are not taken up."

Ripper's friend is fined

Trevor Birdsall, former lorry driver and friend of Peter Sutcliffe, the Yorkshire Ripper, was fined £50 by Bradford magistrates yesterday for claiming social security benefit while being paid by a Sunday newspaper (Our Bradford Correspondent writes).

Mr Birdsall, aged 33, of Ribblesdale Grove, Bradford, admitted three offences of making false representations to obtain supplementary benefit and asked for five others to be taken into consideration. In addition to the fine, he was ordered to repay £100 and to pay £25 costs. The court heard that he claimed supplementary benefit on the ground of being destitute and unemployed and did not disclose he was living in hotels at the expense of the Sunday People and was being paid £80 a week.

School sites register plan

A new registration system to regulate what happens to some local schools when they close down is proposed by a Law Commission working party in a report published yesterday (Our Legal Correspondent writes).

The report deals mainly with those voluntary schools which were created to "educate the poor" in Victorian times. Difficulties have arisen because many such schools were built on sites given or sold cheaply on the express understanding that they would be used only as schools.

Under the School Sites Act, 1841, a site no longer used for educational purposes reverts to the estate from which it came originally. The report proposes a register of claims to ownership.

The Law Commission, Property Law, Rights of Reversion, (Stationery Office, £4).

Voice from the grave proposes to barmaid

Beryl Wilson, aged 37, a barmaid is to marry a man she has never met, who proposed to her from a coffin. Mr William White, her intended husband, is buried alive in a grave at Fort Worth, Texas, trying to break the world endurance record for living six feet underground.

Their romance started after Mr Mike Read, a BBC disc jockey, interviewed Mr White, aged 47, and gave the telephone number of his coffin to Radio 1 listeners. Beryl Wilson, who works in a wine bar in Leeds, telephoned him and later received a proposal.

Mr White, who was buried on July 30, will have to stay underground until December 19 to break the record.

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"I was suffering from the first signs of madness."

Richard Temple on why talking to yourself is bad business.

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In a regular Financial Bulletin to our clients, we review current investment opportunities in areas ranging from Government Securities to Gold, and the latest developments and products. Once again, accurate, in-depth information from companies like Albany is essential to our research.

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Genscher unveils plan for political union of Europe

Strasbourg, Nov. 19.—Herr Hans-Dietrich Genscher, the West German Foreign Minister, told the European Parliament here today that the EEC must turn its attention from solely economic aspects to the political unification of Europe.

Launching the joint West German and Italian plan for European union, Herr Genscher said that the EEC was "in danger of losing the commitment, in fact the support, of the people living in it."

The initiative for a European union "cannot replace the efforts to resolve the existing economic problems," he said, "but it must accompany them, bolster them and give them a dimension of political finality."

He outlined a four-part plan

aimed at strengthening the political dimension of the EEC by integrating security matters into the Community's present foreign policy machinery, including cultural affairs as regular matter of business, cooperating on matters of justice and working more closely to combat "trans-national criminality and terrorism."

Herr Genscher devoted the bulk of his speech to a discussion of ways in which security policy should be worked into the Community's foreign policy machinery. The inclusion of the political and economic aspect of European security was indispensable to the emerging EEC foreign policy, he said.

Herr Genscher said: "For us, Europe does not end at the frontiers of the Comm-

unity nor at the frontiers of the (21) states of the Council of Europe. Europe is the fate of all European nations. We must see this Europe over and above ideological frontiers as the great task of peace."

Such widening of EEC foreign policy to include security must be linked to "close and trusting cooperation with the democracies of North America."

He said that the Italian and West German Governments hoped that the EEC summit in London next week would "decide on the future procedure for the treatment" of the initiative. He hoped that the EEC's member states would commit themselves to the goal of European unification in "a high-ranking political declaration". — AP.

Defferre sues magazine for libel

From Our Own Correspondent Paris, Nov. 19

M. Gaston Defferre, the quick-tempered Minister of the Interior, has decided to sue the weekly magazine *Paris-Match* for libel.

He accuses it of suggesting in one of the questions of an opinion poll on relations between Frenchmen and the police, that he had given instructions to the force to be more lenient with minor offenders and the inhabitants of urban trouble spots of those polled, 59 per cent disapproved of the alleged instructions.

The poll shows a growing public concern over inadequate security and police protection. And M. Defferre's decision is another symptom of deteriorating relations between the Socialist Government and the press, widely suspected, with one or two outstanding exceptions, of being generally ill-intentioned, and of giving a negative interpretation of the government's aims and policies.

The discontent among the police is undeniable. Newspaper reports, concurred in by the police, are tracing it back partly to what members of the force consider to be the "excessively generous amnesty of early last summer, which reduced the prison population by a quarter. They also blame the Minister's criticism of the allegedly "fascist" and "racist" behaviour of the police under the previous Giscardian regime.



A fit-looking M. Mitterrand greets Signor Giovanni Spadolini, the Italian Prime Minister, at the Elysée Palace yesterday. M. Claude Cheysson, the French Foreign Minister, looks on.

Elysée answers cancer claim

From Our Own Correspondent, Paris, Nov. 19

Persistent rumours that President François Mitterrand has cancer, last night prompted the Elysée Palace to promise a health bulletin next month.

The aim was to kill the rumours and reduce the impact of an anonymous article in *Paris-Match* today about secret visit by the President to the military hospital of Val-de-Grâce for tests.

The two-page *Paris-Match* article describes how the Presi-

dent registered at the Val-de-Grâce under the name of M. Albert Biot, or Biot, and underwent complicated tests under the supervision of Professor Laverdan, a leading gastro-enterologist, and head of the medical department. The whole emergency medical team had been alerted. After the tests, his file was locked in the professor's safe, and it was decided to set up a team of 15 leading specialists to supervise the possible treatment the President would require, the magazine claims.

A report in *France-Soir* today that the President has been undergoing treatment for years at the National Cancer Institute of Villejuif are described as without foundation by the Presidential Office. The suggestion is that the latest spate of rumours is politically inspired. M. Mitterrand's alleged cancer has been the talk of the town for years.

Zimbabwe hunt for missing captain

From Stephen Taylor Salisbury, Nov. 19

A nation-wide search is under way in Zimbabwe for an officer in the national Army who escaped from police custody four days ago while under investigation for allegedly passing information to South Africa.

The authorities are also looking for a senior police officer who was involved in the investigation and who, according to a statement issued by the Ministry of Home Affairs last night, obtained the release of Captain Frank Gerike from a police cell in Salisbury.

The statement said that Detective-Inspector Fred Varkevisser, accompanied by another man, had Captain Gerike released into their custody, ostensibly for questioning on Sunday night.

Mrs Marisa Varkevisser, the inspector's wife, and their two children have also disappeared. The family's Salisbury home was surrounded by security police today but, according to reliable witnesses, it showed signs of having been hastily abandoned.

There was no official statement today but police issued an impression of the third man who accompanied Inspector Varkevisser to the cells. Captain Gerike, an explosives expert attached to an engineering unit of the Army in Bulawayo, was reported by the authorities five weeks ago to have been arrested for allegedly spying for South Africa.

Paris condemns Soviet arms

From Charles Hargrove, Paris, Nov. 19

M. Maurice Couve de Murville, General de Gaulle's Foreign Minister, told the Assembly in the debate on the budget of the Orad Yrassy that he had "desperately searched in it for what might be considered the change proclaimed for the past six months". And he remarked with his dry humour that "one would dare say longer to question the broad lines of the foreign policy, including the defence policy, condemned in the past so indignantly by all the parties born of the Fourth Republic".

The continuity in French

foreign policy since May 10th when the Socialists took over was demonstrated by the applause on Gaullist and Giscardian benches which greeted the unqualified condemnation by M. Claude Cheysson, the Foreign Minister, of the "frightening progress" of the Soviet arms build-up. "Which threatens the balance of forces between East and West" and of Soviet military intervention in Afghanistan, and his warnings against the dangers of pacifism and neutralism. One must not flee from the danger of war, one must master

peace", he said. "France, for her part, is more decided than ever to step up her defence effort."

Yet, a distinct change in the way in which, on Europe M. Cheysson, emphasized "the need to develop the community of the workers and not just that of the merchants and of big business." Cooperation with the Third World in the search for growth should not obscure "the fundamental nature of our commitment on the side of the weak and oppressed" of the proletarian nations.

Trudeau's revised deal for constitution arouses anger

From John Best, Ottawa, Nov. 19

The revised constitutional package tabled in the Canadian parliament yesterday by Mr. Pierre Trudeau the Prime Minister, touched off almost as much controversy as the measure he introduced last year, but recently withdrawn.

Debate on the resolution starts tomorrow. The aim is to bring the 1987 British North America Act (which comprises Canada's constitution), back to Canada and to end the British Parliament's residual control over it. Whereas eight of Canada's ten provinces opposed the unilateral federal resolution introduced in 1980, only French speaking Quebec is against the new resolution which is based on a compromise worked out at a meeting on November 5 between Mr. Trudeau and the provincial premiers. Women's groups and Indians also oppose the package: the first because sexual equality provisions in the charter of rights attached to the proposed constitution have been watered down, the second because a clause guaranteeing aboriginal rights had been dropped altogether.

Women's leaders are calling the proposed charter a "betrayal" and a "roll call of shame". Some Indian leaders have threatened to close down federal installations.

Mr. Trudeau's most far-reaching disagreement is with

Quebec, Canada's second-largest province, with six million people. Mr. René Lévesque, the Premier, rejected two clauses in the rights charter that concern worker mobility and minority-language education rights.

He also objected to the majority decision against providing compensation for provinces that opt out of national social development programmes.

With the concurrence of the other provinces Mr. Trudeau has inserted a compensation clause and introduced restrictions on English-language education rights in Quebec.

Mr. Lévesque still rejects the package, however, and at present Mr. Trudeau has little hope of going to Westminster with a resolution supported by all 10 provinces.

Mr. Lévesque is using the dispute to try to convince Quebecers that their province will always and inevitably be the odd man out in the confederation, and thereby build support for Quebec independence. In line with this the Premier last weekend vowed to fight a future election on the issue of outright sovereignty for Quebec as opposed to "sovereignty association", which means sovereignty in an economic association with the rest of Canada.

Chemical warfare Scientists are wary of 'yellow rain' claims

By David Spanier

British scientists are sceptical about American claims that the Russians are encouraging the use of chemical weapons — the mysterious and lethal yellow rain — in Cambodia, Laos and Afghanistan.

At a recent meeting at the American Embassy in London the general view of the scientists present was that there was not enough evidence to form a judgement, and that the evidence itself was patchy. The fact that large numbers of people died in horrifying circumstances, by massive internal bleeding, convulsions and other painful symptoms, was not in doubt; but the cause of their suffering was still a mystery.

The occasion for the discussion was a visit by Mr. Sterling Seagrave, an American journalist and the author of *Yellow Rain*, recently published in New York. He has spent four years investigating suspected victims of yellow rain.

Mr. Seagrave rests his case, as he admits on "curious coincidences" which, although alarming, are not proven facts. His story is nevertheless a terrifying one.

The scientists' doubts concerned not Mr. Seagrave's capacity as a reporter, but the seemingly equivocal presentations made by the State Department on yellow rain.

The claims made by the department's bureau of politico-military affairs were based on analysis of three new samples taken from Cambodia and Laos found to contain abnormally high quantities of tricothecene mycotoxins (the T2 group of poisons). But they were felt to be too sweeping to be convincing.

In particular, the scientific evidence was said to be lacking in detail and depth.

According to Mr. Seagrave, the State Department had not intended to publicise its claims so quickly, but was rushed into premature disclosure by a press leak.

American officials would have preferred to wait for a wider-ranging report on the poisons found, he said.

The full, independent analysis of the samples of yellow rain, which the Administration authorized under approved scientific conditions, is not likely to be available for several months.

Meanwhile, the United Nations team investigating allegations that Vietnam is using toxic chemicals in Cambodia and Laos has had some success in inspecting samples during its visit to Thailand, Mr. Seagrave said. Whether the United Nations team would be qualified to make an effective report was doubtful.

The difficulty, as Mr. Seagrave's book makes clear, lies in gathering and in pinning down the evidence. So far, it is all largely circumstantial. He does not confine his investigation to the Russians alone. He is equally critical in his catalogue of American deceptions over chemical and biological weapons.

□ Moscow accused: Lobbying the European Parliament in Strasbourg for moral and political support for guerrillas in Afghanistan, Mr. Sayed Ahmad Gailani, leader of the National Islamic Front, told about 60 MEPs yesterday that the Russians were now using chemical weapons against the population in some areas (George Clark writes).

Claiming personal experience of resistance activities, Mr. Gailani said: "The daily aerial bombardment of defenceless villages has become so ferocious as to amount to a scorched earth policy. Sarin gas bombing, using fragmentation bombs, has been resorted to. Poisonous gas, napalm and phosphorous bombs containing chemicals which burn fiercely have been dropped repeatedly."

He claimed that in spite of the raging of Afghan towns and villages, the spirit of resistance remained strong.

Even the most farsighted social commentator may be excused a twinge of anxiety at the breakneck advance of the silicon microprocessor.

Its critics depict a future in which labour is spilled directly from the frying pan of the forty-hour week into the fire of redundancy and disaffection.

But we firmly believe that technology developed for the benefit of all need not degenerate into a lemming-like scramble for self-extinction; and that the fruits of modern electronics can, if responsibly cultivated, substantially improve the quality of life throughout our society.

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Metro take work away from the people. (Rather, it should help the people to get to work on time.)

We've even shed a kindlier light upon that old bête noir of the technophobes, the computer. Far from undermining the authority of the individual, our new System Alpha Teleputer terminal will actually exalt his role by increasing his overall efficiency.

We would argue, too, that our involvement in radio communications, marine navigation, recorded music and domestic television is more likely to improve people's lives than to degrade them.

Of course, it would be irresponsible to dismiss entirely the problems implicit in an accelerating technology. But most of these may be avoided if governments and companies regularly apply the fundamental, utilitarian test.

For if a particular advance does not show up immediately as a credit on the account of human welfare, then who exactly is collecting the interest?

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NEWS IN SUMMARY

US jet sale to Pakistan gets vote

Washington.—A congressional committee has narrowly over-riden opposition to President Reagan's plan to sell 40 F-16 fighters to Pakistan.

The House of Representatives foreign affairs committee voted 15-13 on a resolution to block the \$1.1 billion (about £570m) sale. A tied vote is enough to defeat such a proposal. The Senate foreign relations committee defeated a similar resolution 10-7 on Tuesday.

The two favourable votes indicated that the sale of the planes was likely to go ahead. The Reagan Administration says the jets would help Pakistan protect itself against the Soviet Union.

MEPs press for Channel tunnel

Strasbourg.—Conservative and Liberal Euro-MPs yesterday issued a joint appeal to the Heads of Governments meeting in London next week to give approval to community funds being used to provide financial guarantees for the building of the Channel tunnel (George Clark writes).

Mr James Moorhouse, Conservative MEP for London South, said that the EEC Commission had calculated that 100,000 jobs would be created by the building of the tunnel and in related projects.

Ecevit must serve sentence



Ankara.—The Ankara martial law commander yesterday confirmed a four-month jail sentence passed on Mr Bülent Ecevit, the former Turkish Prime Minister, for violating a military decree banning former political figures from making public statements.

He is expected to begin serving the sentence within days, Mr Ecevit's lawyer said.

Turks seize Greek boats

Alexandropolis.—A Turkish torpedo boat yesterday seized two Greek fishing boats with 10 men aboard and led them into Turkish territorial waters. Greek harbour authorities said the boats were part of a group of 10 fishing in international waters about 13 miles south of Alexandropolis and 11 miles from the Turkish coast.

Crew members of the other boat said that the Turkish vessel approached them at dawn and the two Greek boats were boarded by Turkish sailors armed with machine guns.—Reuter.

Kampuchean kill Russians

Singapore.—Democratic Kampuchean troops claim to have killed three Russians near the port of Kompong Som in Cambodia (David Watts reports).

According to the Democratic Kampuchean radio, the Russians were killed with eight Vietnamese, in a "lightning attack" last week. The radio also claimed that another 18 Vietnamese were injured in a 30-minute exchange which destroyed a military camp.

Two Russians were killed on the road between Phnom Penh and Kompong Som earlier this year, Russian civilians have been working in Kompong Som since the Vietnamese victory against the Khmer Rouge in 1979.

West gives Uganda time to pay debts

Paris.—Uganda's leading Western creditor nations have agreed to give the bankrupt East African nation another 10 years to repay about \$13m (£7.2m) of its debts.

After a meeting here, representatives of the United States, Britain, France, West Germany, Italy and Japan noted with satisfaction the application of an economic and fiscal programme backed by the International Monetary Fund.

They agreed to reschedule the debts so as to give these efforts a chance to bear fruit, they said in a joint communiqué.

Youths accused of consul's murder

Sydney.—Two youths aged 16 and 19 were charged yesterday with the murder of Mr Constantine Giannaris, the Greek consul general in Sydney, who was found stabbed on Monday.

Both were also charged with the killing of a 41-year-old homosexual schoolteacher last month.—Reuter.

Kidnapped girl freed

Montepulciano.—Kidnappers set free Christina Peruzzi, aged 17, the daughter of a wealthy Italian builder yesterday after being paid a million dollar ransom. She was abducted five weeks ago.

Carrington puts on brave face for London summit

From Ian Murray, Brussels, Nov 19

Lord Carrington, the Foreign Secretary, put on a brave but grim face after this morning's bleak, unbusinesslike meeting of the European foreign ministers here. It was brisk because it was over in three and a half hours. It was unbusinesslike because it was apparently accomplished nothing which would make the rebuilding of Europe's finances possible in the near future.

Wearing his brave face, Lord Carrington said that his long experience in negotiations had led him to the conclusion that "difficult decisions are only taken at the last moment". Grimly he added: "The last moment is only a week away and we have some very difficult decisions to take."

In the intervening week before the London summit a great deal of behind-the-scenes wheeling and dealing will be going on in a last-ditch attempt to make the gathering of heads of state a meaningful rather than a pitiful occasion.

Today's meeting had been specially convened after the two-day council at the beginning of the week had failed to reach any important measure of agreement on the three sections which make up the "mandate for change" of the Community proposed by the European Commission. Lord Carrington then gave a stern warning of disaster ahead if national positions did not alter. He gave the same warning today making it marginally tougher.

In Lord Carrington's view, the reality was no point in member states seeking to put off the evil hour. Decisions had to be taken, he said, and "nobody should have any illusions that putting them off will make a difference. In the end, it usually makes them worse."

The one point on which there did seem to be agreement, he said, was the need for parallel progress on all three areas identified in the mandate: economic policy, other policies and the budget.

Briefly, this means a decision on how to raise the Community's money and how to spend it. The

Swap leader accepts Namibia peace plan

By David Spenser

Mr Sam Nujoma, the leader of the South-West Africa People's Organisation (Swapo), said yesterday that his organization had agreed to new western proposals on Namibia designed to guarantee the rights of minorities after independence. This is the first time that the Swapo leadership has expressed support for the new constitutional proposals of the Western contact group.

Mr Nujoma's comments were made at a political rally in Lusaka, Zambia, after the meeting of front-line African states in Dar es Salaam this week, called to consider the revised Western proposals. The collective response by the African states, received in London and other Western capitals yesterday, is described as reasonably encouraging and in line with expectations.

The Africans' reply has raised hopes in the five-nation contact group that the first phase of the independence process can be completed by the end of the year. This would be the final draft of constitutional principles designed, in particular, to safeguard the rights of minorities.

Karpov looks set to clinch world championship

By Harry Golombek

The two-day rest in the World chess championship match at Merano must have given Anatoly Karpov, the world title holder, fresh energy and vigour for he opened confidently the eighteenth game yesterday with Ruy Lopez, to which Viktor Korchnoi, the challenger, replied with his usual open defence.

The game went, for the first 12 moves, as the fourteenth and sixteenth games had gone, but in move 13 Karpov played P-QR4, attacking the weakened black pawn structure on the Queenside. This was a clear improvement on his previous play.

In the ensuing middle-game play he established a fine attacking position in the centre as well.

Korchnoi, always uneasy when he is on the passive defence, tried a typical counter-attacking manoeuvre with his 18... KR-Kt1. But Karpov exploited his positional advantage to perfection, driving back the enemy pieces and giving himself the best position he has achieved during the last few games.

Soon the world champion had established just the sort of position in which he excels above any other player of our time.

Playing with consummate force and accuracy he constantly increased his initiative and his command of the board. He gained command of the seventh rank with his rook and then by advancing his centre pawns, broke open the central position and cleared the top two ranks of most of the pieces and pawns so as to give his rook the maximum command of the position.

Korchnoi could do little but watch and when Karpov advanced his distant passed QRP it



Haddad lifts siege of UN base

Moshe Brilliant

Tel Aviv, Nov 19

The three-day siege of 950 United Nations soldiers and 300 civilian employees at Beit Sourik in southern Lebanon ended this morning when Major Saad Haddad, commander of the local Lebanese militia, suddenly withdrew his armoured cars from roads leading northwards to Beirut and southwards to the Israeli border.

Civilian employees quartered in the Israeli resort town of Nahariya returned happily to their own beds, but some were distressed to find thieves had broken into their cars parked on the Israeli side of the frontier.

United Nations sources said they were not told of the intention to remove the roadblocks.



This morning, however, the strange story of the roadblocks had not been lifted. United Nations observation posts on the Israeli border were resupplied this morning, but a convoy headed toward the territory of the Norwegian contingent east of Meri Ayun, Major Haddad's home base, was intercepted.

Isolated United Nations positions, also complained of harassment by militiamen who entered and robbed them.

The problem of 18 militiamen on hill 890 at A Tira also remained unsolved. The hill is in the area of operations of the Irish contingent. The United Nations demanded that the militia withdraw, but the Irish, who encircled them, supplied them with three hot meals daily and sent a doctor to see them.

Israel Army radio tonight said Israeli officials had been attempting to influence Major Haddad to moderation. Political circles were quoted by the radio as saying they objected to some of his actions.

Mr Philip Habib, President Reagan's special envoy, is to return to the Middle East at the end of this month to try to strengthen the four-month-old ceasefire in southern Lebanon and to negotiate a withdrawal of Syrian missiles (our own Washington Correspondent writes).

Britain warned: Mr Margaret Thatcher, the Israeli Prime Minister, said tonight that if Lord Carrington did not change his position regarding British military participation in the projected multinational force for Sinai, the British contingent "will stay at one of the palaces in London or elsewhere". Israel would open British participation in the force if the Foreign Secretary continued to talk in terms of supervising the Israeli withdrawal from Sinai.

East Europe hostile to Reagan offer

By Our Foreign Staff

Hostile East European reactions yesterday echoed the initial Soviet rejection of President Reagan's offer to negotiate sweeping arms cuts. Only the Romanian press declined to comment. This was predictable, given President Ceausescu's advocacy of withdrawing medium-range nuclear missiles from Europe.

The top of the Soviet block's comment varied. The Czechoslovak Communist Party newspaper, Rude Pravo, claimed that the American proposals sought to maintain United States military superiority so that Washington could "carry out a nuclear war on the European continent."

Spokesmen for the West German peace movement were critical of the American appeal. Herr Wilhelm Born, of the Free Democrats, said that "the prohibitive conditions which the President set can hardly be fulfilled."

Reaction inside the ecological Green Party ranged from detecting a change from "surrendering" to "judging" the proposals unfair on the ground that they excluded British and French nuclear weapons and American forward-based systems.

But Herr Hans-Dietrich Genscher, the West German Foreign Minister, said: "The Soviet Union should take these proposals seriously and reply in a positive manner."

He told the European Parliament in Strasbourg that President Reagan had "ex-

pressly emphasized the will of the United States for peace and negotiation and has made substantial proposals for disarmament and cooperation which we fully support."

In London, Mrs Margaret Thatcher, the Prime Minister, repeated her welcome for the American offer, expressed the previous day during her visit to Bonn.

"I formally welcome the great initiative of President Reagan in proposing not merely a limitation of nuclear armaments, but an actual reduction in nuclear armaments and a reduction in conventional forces as well," she said. "I have seized the initiative, and I hope we shall find a response from the Soviet Union."

Mrs Thatcher went on: "I hope President Reagan's initiative will go ahead to negotia-

tions which do not conflict from MPs' will be long and difficult, but very well worthwhile."

If a Russian response was forthcoming, then I think it is very serious for the amount of money we have to spend in future on armaments."

Mr Michael Foot, the Leader of the Opposition, who also expressed support for the American demand, told the Prime Minister that "Labour had a much better right to welcome it, since we have been signing for it in Moscow, Washington, Europe, and everywhere else."

Western delegates attending the European Security Review Conference in Madrid expressed keen disappointment at Moscow's apparent blanket rejection.

Kennedy says he will run for presidency

From Michael Hamlyn
New York, Nov 19

In a rousing speech, rapurously received, Senator Edward Kennedy has attacked Mr Reagan's economic policies and indicated that he would be seeking the presidency himself in 1984.

He reminded delegates at the centennial meeting of the American Federation of Labour and Congress of Industrial Organizations (AFL-CIO) of an historic alliance between the Kennedy family and organized labour, saying: "You have never shared the struggle, and neither have I."

His speech was repeatedly interrupted by applause, including five standing ovations.

"Some of you were part of my 1980 campaign, and some of you were not, but our commitment involves more than the outcome of any single contest. You and I share a bond that reached across the years. I have been so often at your meetings that I regard myself as a fully fledged member of the AFL-CIO."

The President's economic programme "treats human deprivation as a virtue," he said.

"We have only just begun to fight the fraudulent tax-cut which favours the very rich," he said, and added: "Democrats will not prevail by imitating the opposition. The last thing America needs is two Republican parties."

Like other speakers at the convention, Mr Kennedy could not resist criticizing Mr David Stockman, the Budget director.

Stockman's recent visit to the White House, Mr Kennedy said, was taken to the cleaners. Mr Kennedy's reception far outweighed that given to the other Democratic presidential aspirant, Mr Walter Mondale, the Governor of Maryland, who spoke at the convention on Monday.

All speakers have strongly attacked Mr Reagan's policies. The Government's relations with organized labour have never been better, Mr Kennedy said, but public speakers were invited to address the meeting here in New York in an effort at bridge-building Mr Reagan, however, invited the AFL-CIO executive to meet him on December 1.

During yesterday's elections Mr Lane Kirkland, the AFL-CIO president, was given a second two-year term.

US backed over air controllers

From Alan McGee
Geneva, Nov 19

The governing body of the International Labour Organization (ILO), despite Soviet objections, today endorsed conclusions by its freedom of association committee that the Reagan Administration did not violate trade union freedoms by denying air traffic controllers the right to strike.

The committee's finding was that as withdrawal of services from the controllers was an emergency measure, it was not a violation of freedom of association principles. It regarded the Administration's refusal to allow air traffic controllers to strike as an emergency measure, the only alternative to closing down all air traffic.

It hoped the situation would soon return to normal and asked the United States Government to keep it informed.

In opposing approval of the committee's report, the Soviet Union's representative accused it of applying double standards by softening the impact of the American Government's repression of the air controllers.

His reactions, he continued, were always much more acute and not positive with regard to complaints against Soviet block countries.

AMERICANS OBSERVE SMOKE-OUT

From Nicholas Hirst
Washington, Nov 19

At least 15 million Americans are expected today to give up their traditional way of staring the morning: a cup of coffee, a smoke and a cough.

This is The Great American Smoke-Out Day, and the fifth such event, organized by the American Cancer Society at a cost of \$200,000 (£105,000) for the Thursday before Thanksgiving. Its success last year was stunning.

Last year, of the 16 million who started the day only with coffee and a cough, nearly five million got through the day without smoking and according to the Cancer Society, more than a million went for 11 months without falling prey to the habit.

It was James Bond who, when asked if he could smoke, received the answer: "If that is the way you want to die."

About 105,000 Americans are expected to die of lung cancer this year, with 85 per cent of those deaths related to cigarette smoking. About 350,000 deaths this year are expected to have smoking as a contributory factor.

To be a smoker in America is often to be a social outcast. In restaurants, smokers are often asked by other clients to desert. Most cinemas, and more than 80 per cent of the seats in aircraft, are given to non-smokers. Half of all adult Americans smoked in 1962. In 1964, the Surgeon General reported that harmful habits were now only a third of the population goes on smoking.

Solidarity urges workers to show restraint

Warsaw, Nov. 19.—Solidarity, the first trade union movement, called on its 10 million members today to show restraint as the Polish authorities repeated their warning that they could adopt emergency measures to halt strikes and social unrest.

Solidarity and the Government continued their talks today to resolve differences and find a formula for peaceful coexistence.

Solidarity's praesidium said it expected a period of intensified struggle during the negotiations and called on workers to avoid any moves that would enable the authorities to accuse the union of being irresponsible.

"We are entering a period in which the problems of our life will be decided for many years to come," Solidarity said.

The praesidium of the Sejm (parliament) issued a statement recalling that on October 31 parliament had unanimously approved a resolution allowing for emergency powers if the strike wave did not end.

The statement said that social tension persisted in Poland and strikes were being used over issues which should be resolved in other ways.

It recalled that the Sejm would consider "dragging the Government with such legal means as would be required by the situation" if strikes did not stop.

Mr Marek Brunne, a Solidarity spokesman, said the union was annoyed by the Sejm statement and related news media reports.

"We notice that their propaganda continues to speak of big turmoil and strikes when in fact we are almost clear of strikes. It creates the wrong impression," Mr Brunne said.

The only strike reported today involved newspaper delivery men who have refused to handle the official press in a large area of Poland for the past 10 days — demanding better conditions and pay.

Farmers were staging sit-ins in two cities to support a series of demands which include abolition of a barter-purchase system and the inclusion in the constitution of a declaration safeguarding private farming.

But the biggest protest movement was by students preparing to carry out their threat to paralyse all 105 universities and colleges by Tuesday in a series of sit-ins.

The students want the dismissal of the rector of an engineering college in Radom, a former army colonel, and the enactment in Parliament of a new liberal education law.

Mr Antoni Karkiewicz, the Minister of Labour, said that strikes had cost the country 10,500,000 hours in lost production this year.

The Army newspaper, *Zolnierz Wolnosci*, said the strikes showed that either Solidarity leaders had lost control of the rank and file or that the union was actively promoting anarchy.

"Each possibility harbours an immense danger to Poland's existence, in the name of struggle for social rights and gains we are consciously sinking deeper into a quagmire," the newspaper added.

The Communist Party newspaper, *Trybuna Ludu*, also attacked Solidarity today, accusing it of launching a street poster campaign to back demands for access to the news media, one of the issues which the Government and union had agreed to discuss in working groups.

Trybuna Ludu declared it was nonsense to say that Solidarity did not have access to the media, arguing that the union's official and unofficial publications had a daily circulation of more than a million copies.

Solidarity, however, is pressing above all for access to radio and television, over which the authorities are determined to maintain control.

The union today published more details of the positions it intends to adopt in talks with the Government.

It repeated its demand that the Government should recognise a social council for the control of the economy.

The policy statement by Solidarity's praesidium said a social council would ensure that society exercised control over Government economic policies.

Mexicans tighten frontier control

From Stephen Downer
Mexico City, Nov. 19

Mexico is tightening control of its 800-mile-long southern border, across which thousands are fleeing from political violence in Central America. It has announced plans to increase its 11 immigrant posts by seven and has augmented Army patrols.

The United Nations High Commissioner for Refugees, highly critical of Mexico's handling of the problem earlier this year, has applauded the new moves. It sees them as positive in regularising the legal status of many more people than was possible previously.

"We are beginning to see a change in attitude in Mexico towards these refugees," said Dr Jorge Santestevan, the United Nations regional refugee protection officer, responsible for the area between northern Mexico and Panama.

The Mexican authorities say that United Nations estimates of between 70,000 and 140,000 Salvadorans and several thousand Guatemalans living in different parts of Mexico are exaggerated. However, they agree with Dr Santestevan when he says that the number of people fleeing from Central America will increase.

The refugee flow coincides with the upsurge in violence in El Salvador, where about 26,000 people have met with violent deaths since the coup of October, 1979.



Refugees in peril, says Bianca Jagger

Bianca Jagger, photographed with refugee children in Honduras, has described how she and a group of Americans saw armed men take refugees back across the border into El Salvador from a small Honduran town.

The former wife of Mick Jagger, the singer, said about 40 refugees from the civil war were taken from a camp at La Virtud, Honduras, in two groups, some of them by El Salvador soldiers. All but seven refugees were released after their captors realized they were being followed and filmed, said Mrs Jagger, who was born in Nicaragua, and who was with a delegation from relief agencies.

"The lives of refugees are in danger. There were refugees taken away out of the country in front of our eyes," she said when she arrived in Miami on Wednesday.

"There were women, men and there were pregnant women (being abducted). The women with children were being struck with the (butt) of the rifle. When we found out, we ran with them... with the cameras. The only thing that stopped them was the cameras. They finally released the people, but they came back and took the film out of the cameras so there would be no proof of what happened." — AP.

Albania accused over riots

Yugoslav plan to curb Kosovo demanded

From Dassa Trevisan, Belgrade, Nov. 19

The central committee of the Yugoslav Communist Party has called for a comprehensive political and economic programme to overcome nationalism in the southern province of Kosovo where Albanian ethnic riots broke out in April.

Kosovo is an autonomous province with an overwhelming Albanian majority which, however, is part of Serbia, one of Yugoslavia's six constituent republics.

Since the riots in which according to official figures nine people were killed, more than 200 ethnic Albanians have been sentenced to long terms of imprisonment on charges of incitement and subversion designed to provoke a succession of the region and its unification with Albania.

Yugoslavia has since then accused Albania of conducting a hostile policy designed to keep up national tension in the area.

The central committee recently devoted the entire session to the problem of the region. The riots have provoked serious misgivings about the policy which has been pursued in the region whereby Albanians have gradually assumed full control of the administration, often by severing links with the republic of Serbia.

The Yugoslavs have now accused Albania of making territorial claims and have accused Mr Enver Hoxha, the Albanian leader, of conducting a subversive propaganda

designed to incite nationalist feelings against Yugoslavia. The region has calmed down but tension persists.

The riots were a serious setback to Yugoslav-Albanian relations which, until then, the Yugoslav government was carefully cultivating, even at the cost of turning a blind eye to the ideological propaganda conducted by Albania.

A state of emergency, declared as soon as the riots broke out, was lifted after three months but police and Army reinforcements remain in the area.

Many Yugoslav politicians at the time of the riots and after publicly admitted to having been caught by surprise and claimed to have been receiving false information from the regional officials. Now, the newspapers have been questioning responsibility at the federal level for letting the situation slide.



POLICEMEN TOLD TO FORM UNION

From Mario Modiano
Athens, Nov. 19

The new Socialist Government has decided to encourage trade unionism in the Greek police, but has frowned on similar demands from soldiers.

Mr Ioannis Skoularakis, the Minister of Public Order, took the first step this week by inviting 150 representatives from all the security services to spell out their claims and grievances. Most speakers, of course, focused on working conditions, but there were some unusual demands, such as protection from retaliation by influential offenders.

Mr Skoularakis, who told them the Government wanted the policemen to set up trade unions, said: "I am sure all this will help to bridge the gap of hostility between the police and the citizens."

As the government was taking this bold initiative, the Defence Ministry announced it has ordered an inquiry into demands for trade union freedoms by six uniformed but masked soldiers.

STRIKE GOES AHEAD IN ASSAM

Delhi, Nov. 19. — A 36-hour general strike began today in the oil-producing state of Assam in north-east India to support demands for the eviction of immigrants, mainly from neighbouring Bangladesh.

The Indian Government yesterday banned stoppages in essential services in the state, including telecommunications, rail and air transport, banks, hospitals, oilfields and refineries.

But the Press Trust of India reported that all private transport stopped today and shops and bazaars were closed. A few buses were operating in the capital, Gauhati, but there were fewer passengers than normal. Official sources were quoted as saying that a bomb damaged a building in the city last night but caused no casualties.

□ Villagers killed: Twenty-four residents of Deoli, a small village 125 miles south-east of Delhi, were today reported to have been shot dead in daylight by two gangsters (AP reports).

Soviet fisheries project entangled in red tape

From Michael Binyon, Moscow, Nov. 19

Food, as President Brezhnev has recently pointed out, is the Soviet Union's most important economic and political problem.

All help had to be given to anyone who could increase the Soviet output of food. But he reckoned without the stultifying self-interest of the Soviet bureaucracy. As a sad tale of fish-breeding shows, food is not legitimate food if it does not exist in some ministry's plan.

Three years ago the director of a power station near Kamervovo in Siberia hit upon the idea of using the warm lake of cooling water to breed fish. Three nurseries were built in the outlet channel and filled with baby carp.

The director's colleagues wondered why he took the trouble, but the figures spoke for themselves. In 1979 the station harvested 50 tons of fresh fish, the following year 400 tons and this year they have pulled some 700 tons out of the lake. The workers dine on fresh trout in their canteen, fish is on the menu in the local hospital, and there is a ready source of protein for the surrounding schools.

The director's scheme chimed in well with the party's latest efforts to boost subsidiary farming by peasants or even individual factories.

All went well for three years, but the fish business became too successful. To no longer looker like small-time private farming, but rivalled the professional hatcheries run by the Ministry of Fisheries.

The fish also needed 200 tons of feed a year. In the early days the station managed to wheedle feed from the Ministry of Energy, local authorities and, as a special favour, from the Ministry of Fisheries itself. But other power stations soon wanted to do the same — and the Ministry of Fisheries put its foot down.

Not one fish from any station's cooling lake would be counted in its own production plan. And any feed supplied to these entrepreneurs would be pure loss in the ministry budget. Despite all entreaties from the Kamervovo station, the local authorities and party officials in Siberia, the ministry has decided to cut off all feed for this coming year. The fish will simply die.

Pravda is horrified. This was the kind of inter-departmental cooperation and personal initiative of a director that the Soviet Union needed, the paper said. The power station was using the latest methods. Not wasting manpower and still fulfilled its plans in power generation. There were even plans for new hatcheries. The Director was wondering whether to start up grain mills to produce the feed themselves.

President Brezhnev told the party's central committee that the greatest threat to the Russians faced was economic lethargy — the refusal to adapt to new methods of planning and management. It is a message Pravda was also clearly addressing to the Ministry of Fisheries.

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Britain's growing number of centenarians.

What it's like to be 100 — more of us may find out

In 1877 Queen Victoria was proclaimed Empress of India. Brahms composed his first and second symphonies, Tolstoy wrote *Anna Karenina* and Edison invented the phonograph. It was also the year that William Sheppard was born in Tidworth in Wiltshire, the youngest son of a family of five boys. His father was a farmer, William Sheppard is not merely still alive; he is active, clear-headed and well-content with life.

Sheppard is one of an estimated 2,000 people aged over 100 alive in Britain today. No one knows for certain how many centenarians there are — the 1971 census gave the figure of 2,320, but this was later admitted to be wrong. What is known is that the numbers of those living beyond 100 is increasing at a spectacular rate, and that while 153 people aged over 100 died in 1980, the number had risen to 974 in 1979 (839 of them women). In 1962 when Buckingham Palace first started to keep records, 590 people of 100 or more received a telegram from the Queen. Last year, telegrams went to 2,106 (844 men and 1,262 women).

Encouraging, perhaps, is the growing body of medical research which suggests that senile dementia, the clouding of the old mind, is rarely present in people who actually live to exceptionally great ages. Two people in every 10 over 80 are demented; by 85 the number rises to four. But among the over 90-year-olds there is little dementia, a new condition commonly accepted to be a chemical disease — indicating that if you avoid its onset in the sixties, you may miss it altogether and turn out to be, in the words of Norman Exton-Smith, Professor of Geriatrics at St. Paul's Hospital, "one of the biological elite".

William Sheppard remembers the past with enviable clarity. In his early teens he was sent off to Devon as an apprentice tailor. One day, seeing a recruiting poster outside a barracks, he joined the army as a regular soldier, was immediately despatched to South Africa, and had been there a month when the Boer war began. He broke in horses for the guns until Lord Kitchener sent his regiment to the front. Finally, when the war was over, he was sent to France, returning home in 1918 to resume his career as a tailor. His life has been bounded by wars; he volunteered for service again in 1939, but by

then he was 62 so they turned him down. He retired only in his eighties when his wife became ill. Today he lives in a sunny, spotless bedchamber in a nursing home, visited by friends and relatives, walking in the garden, unhelped, in summer, sitting in the dining room. Until this year he went to church every Sunday. He has smoked a pipe all his life and has a whisky before bed.

William Sheppard's lucidity is not exceptional. Sir George Schuster, an eminent public figure who turned 100 in April, can look back with almost entire recall on a life that started at the bar at the turn of the century, took in distinguished colonial service in the Sudan and India and five years as a Member of Parliament. He says that his powers of thinking on important issues have not deteriorated at all. Sir Robert Mayer, who resigned as chairman of Youth and Music only last summer — at the age of 101 — says that "so far as force of thinking goes, it's the same as 50 years ago".

The stored memories

It is not only the powers of thought that are at stake at 100; there is that vast, accumulated body of material stored away in the mind, 100 years of memories. Mrs Mary Anderson, the daughter of a keen Liberal, remembers the day Mrs Gladstone came to tea when she was three and christened her doll.

Miss Ethel Wheeler recalls waving her father off to his job in the city when he boarded the stage coach on Chapham Common (the car was not invented until 1886). She was already 18 when she watched Queen Victoria in her landau drawn by eight cream-coloured horses on her way to the Diamond Jubilee. Samuel Page, born in 1881, the year Isaac Alexander was assassinated, can see in his mind's eye a senior inspector leaving Mrs Emmeline Pankhurst firmly over one shoulder and carrying her away during a suffragette rally.

Clear memory seems to be matched by a record of excellent health. Mrs Gladstone, who had had sciatica 40 years ago, said that it had been painful. But none of the people I spoke to took regular medicine and Miss Wheeler, at 102 the oldest resident of the Methodist Home for the Aged in Croydon, also the only one not on pills of any kind. She has never smoked or drunk, but the others have, moderately. Sir George Schuster was a passionate cigar-smoker and now has two pipes a day. Emily Bench, who

lives alone, doing her own washing and cooking, says she has always loved Guinness.

It is rare to be as physically independent as she is. Most people who have reached 100 are physically frail, reliant always on the help of others. To escape total dependence several of the people I spoke to said they were avid planners. Sir Robert Mayer has bought a flat in Cap Ferrat and is now thinking of a January cruise to the Caribbean. Sir George Schuster plots the expansion of the Atlantic College system he helped set up (and writes letters to *The Times*) and Emily Bench travels to Majorca last year, to Greece this year.

What then, missing? "The countryside," says Mrs Anderson who loved climbing and walking and still walks herself to Harrods from her flat in Port Street. "Playing cricket and bowls," says William Sheppard. "A garden," says Samuel Page, who won more than 400 prizes for his fruit after his retirement to Bourneville from the Metropolitan Police 40 years ago.

"I am satisfied with my life," says Emily Bench, from her two-room flat near Kentish Town. This spirit of acceptance, contentment even, backed by assertions that they never suffered from depression (except for Sir Robert Mayer, depressed by the state of the world) was repeated by several of the people I spoke to. Several were churchgoers, and Sir Robert spoke of being Jewish, which for him means "deep pride in belonging to a people unjustly suffering". But only Sir George insisted on religion as a source of support so long, a feeling of actual support from the Christian faith.

Considerable scepticism surrounds the claims for Georgians in the Caucasus who are said to live a century-and-a-half; the birth at such an age is seriously in doubt, say gerontologists. (Highest recorded age in England and Wales: 112 for a woman, 111 for a man. Oldest person alive today: Mrs Mary Hammond, 110.)

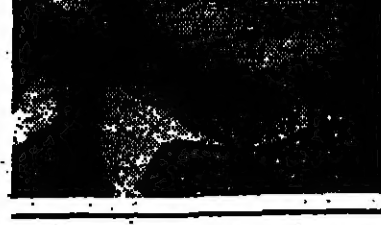
The average life expectancy for a Roman was 23 years, but the longest he could hope to live was then, as it is today, to the early hundreds. Life expectancy has risen dramatically. Its total span has not. Modern science does not claim the power to prolong life, merely to improve the physical health of those who live. It can be lived and indeed extend it healthily towards that maximum. And the day is not far off when it may be possible to determine early in life precisely who does fall within the "biological elite", who will have the fortune to expect to reach 100.

Caroline Moorehead



Sir George Schuster

Born April 25, 1881. Married (wife died). One son (another killed in action in 1941). Three grandchildren, one great grandchild. First in classics at Oxford. Became barrister, entered the City. Served in France in the First World War then in northern Russia with the Murmansk Force, and remembers Churchill arriving after Gallipoli in bright yellow boots. Financial Secretary to the Sudan Government. Financial member of the Executive Council of the Viceroy of India. MP (Liberal National) 1938-45. Chairman of Atlantic College. On 100th birthday his enormous mailbox included telegrams from five leading Indian statesmen. Lives at home, neither Wotton Hall, near Banbury.



William Sheppard

Born October 27, 1877. Fought in the Boer War and First World War. Later became tailor for the Wiltshire police force. Married (wife died). Lives in Southfield Home at Devizes.

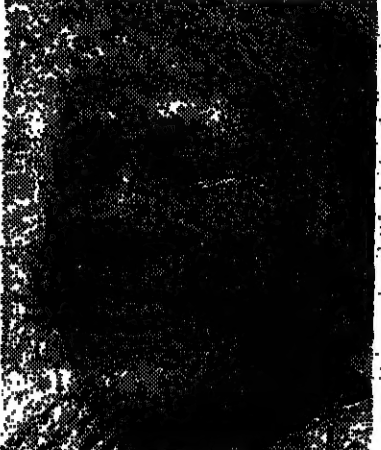
Mrs Mary Anderson

Born October 1, 1880. Married an early partner of Christie's; husband died. No children. Sent to boarding school in Scotland where there was not enough to eat, and to Versailles for six months to learn French. Was going to be presented to Queen Victoria, but opted for a trip on her grandfather's yacht to St Petersburg instead. Lives at home, in Chelsea, with a housekeeper.



Samuel Page

Born September 10, 1881. Married (wife died); no children. Brought up in East End and became apprentice gardener to an orchard nursery. In 1902 joined Metropolitan Police, serving in many London boroughs and the Tower and the Mint. In early years had one day off in every 14. Retired 1931; oldest surviving member of his force. Prodigious memory for songs, anthems, hymns, verse and can repeat the alphabet backwards at high speed. Kept diary in Pittman's shorthand until the age of 98. Lives at the Aron Nursing home, Bournemouth.



Mrs Emily Bench

Born July 11, 1879. Father a sailor and later a blacksmith with the railways when they used horses. Went to work at 13 as a nursemaid but being no good at it joined a munition factory during the Boer war. Married at 24; four daughters, eldest now 79; one a spiritualist living in New Zealand. Six grandchildren and three great grandchildren. Husband, on the railways, died 40 years ago. Goes to bingo one evening a month, to a day centre twice a week. Lives on her own, in a flat in Kentish Town.



Miss Ethel Wheeler

Born September 7, 1879. Single. Father worked for the Bank of England. Went to Mary Datchelor school for girls and later Clark College. Holidays at Ramsgate when swimming was from horse-drawn bathing machines. Worked for the Post Office for 42 years. In the Second World War was buried by bomb; awarded the MBE for war work. Great interest in Renaissance art, particularly Florentine. "I have been contented, always," she says. "Very even-tempered." Lives at the Methodist Home for the Aged in Shirley, Croydon.



Sir Robert Mayer

Born June 5, 1879. Married twice, the second time last year, when he embarked on a new chapter of his life. Two sons, one daughter, nine grandchildren. As a "Tolstoyan" at 18, he worked in the City until his early fifties when he retired to devote his life to music, founding Youth and Music and presiding over many musical events and institutions. "I have by-passed old age. It doesn't worry me. I ignore it." Lives at home, in central London, with his wife Jacqueline.

Law Report November 20 1981 House of Lords

Immigrant family not intentionally homeless

Regina v Hillingdon London Borough Council, Ex parte Islam (Tafazzul)

Before: Lord Wilberforce, Lord Fraser of Killybeggs, Lord Lowry and Lord Bridge of Harwich. [Speeches delivered November 19]

There is nothing in the Housing (Homeless Persons) Act 1977 or in its obvious policy which entitles a local authority to exclude from the benefits of the Act a family or immigrants who have acquired under the immigration legislation the unrestricted right not only to live and work in this country but also to bring their families to live here.

The House of Lords allowed an appeal by Mr. Tafazzul Islam, a Bangladeshi citizen who has lived and worked in this country since 1965 and so had the status under the Immigration Act 1971 of a person settled in this country. He came to remain. He appealed from the Court of Appeal (the Master of the Rolls and Sir Denys Buckley, Lord Justice Goff dissenting) which had allowed an appeal by the London Borough Council and its homeless families panel.

The applicant had come to England from what was then East Pakistan (now Bangladesh) when he was 23. During subsequent visits to Bangladesh he married, and over the years his family had grown. His children who lived with his wife at his parents' home in Bangladesh.

In 1974 he applied for visas for his family to join him here. After considerable delays over entry clearance they arrived in England in April 1980.

The applicant prior to their arrival had moved from a room he had occupied for 14 years to lodgings in Uxbridge, consisting of a shared use of one room. When the wife and children arrived the landlord at first refused to have them in the house but later gave them temporary housing wholly inadequate accommodation until September 3 when he turned them out.

The applicant applied to the local authority, the Hillingdon London Borough Council, for accommodation under section 45 of the 1977 Act. The homeless families panel of the council resolved (1) that the applicant should be considered homeless as he was not in priority need as his dependent children might not reasonably be expected to reside with him here. After considerable delays over entry clearance they arrived in England in April 1980.

Section 21 defines "priority need" as including a person who

who are residing with him or who might reasonably be expected to reside with him."

Section 17(1) provides: "Subject to subsection (3) below, the purposes of this Act a person becomes homeless intentionally if he deliberately does or fails to do anything which causes or ceases to occupy accommodation which is available for his occupation and which it would be reasonable to expect him to continue to occupy."

Section 16 defines "available for his occupation" as "available for occupation both by him and by any other person who might reasonably be expected to reside with him."

Mr. D. A. Wood, QC, and Mr. Andrew Gault, QC, and Mr. R. E. A. Samuel, QC, and Mr. Robin Barratt for the local authority.

LORD WILBERFORCE said that it was important to appreciate the particularity of the facts and to appreciate that the applicant came to this country before 1973, his application for entry clearance for his family could be made and entertained without the necessity of showing that accommodation here was available — as had to be shown in post-1973 cases.

Nereide SPA di Navigazione v Bulk Oil International Ltd. Before Lord Diplock, Lord Fraser of Killybeggs, Lord Scarman, Lord Roskill and Lord Brandon of Oakbrook. [Speeches delivered November 19]

On the proper construction of a charterparty, the charterers were not liable for delay in the vessel getting into berth unless the charterers had also designated and procured a safe place or berth reachable on arrival. On a proper construction of the Exxony 1969 standard tanker voyage charterparty form, the House of Lords held that clauses 6 and 9 had to be read together and there was no express provision in the charter that the risk of congestion at the port, causing delay in berthing, was to be placed on the shipowners.

The House allowed an appeal by Nereide SPA di Navigazione, owners of the tanker, against the decision of the Court of Appeal (Lord Justice Lawton, Lord Justice O'Connor and Lord Justice Fox) (The Times, April 9) who had held in favour of charterers. Bulk Oil International Ltd, that on the true construction of clauses 6 and 9 in the Exxony 1969 form, widely used in the tanker trade, the shipowners and not the charterers had to bear the loss arising from delay after arrival at the port of discharge, due to congestion in the berth, until the vessel was loaded. The House held that charterers must bear the loss.

By the charterparty, dated November 22, 1978, the shipowners chartered the tanker to the charterers for a voyage from one safe berth at Marsa El Matruh, Libya, to a safe port in

His Lordship stated the facts summarized above and said that the judge had rejected paragraph (1) of the panel's decision that the applicant was in priority need and that he had reached the conclusion that (by the council) the majority of the Court of Appeal was wrong. His Lordship said that the judge, holding that he became homeless intentionally, but differed in his reasons for so holding. His Lordship could not agree with either of the reasons given.

LORD DENNING decided the case on the basis that Mr. Islam was in priority need. But that approach — which might be possible in some cases — was not supported by the facts. There was no finding, or evidence, that the Bangladesh accommodation was ever available to the applicant himself, or that he was ever in occupation of it.

Sir Denys Buckley disagreed with that approach but held that the applicant was in priority need. He held that the applicant was in priority need because he was in a room at Cowley Mill which was not available to him for occupation.

But that overlooked the provision of section 16 which was to be read in conjunction with section 17. The room at Cowley Mill Road was never accommodation (within section 1) available for occupation by him and his family — so section 17 did not apply to him.

On the other hand, not without misgiving, but without any doubt, his Lordship held that the applicant was in priority need. The judge's reasoning was correct and was glad to adopt the Lord Justice's reasons as his own. He held that the applicant was in priority need because he was in a room at Cowley Mill which was not available to him for occupation.

While the result in his particular case might be considered anomalous, it was not in his view a long residence in this country and his efforts to unite his family here and his Lordship entirely accepted that immigrants as such were not to be excluded from the Act — his Lordship shared Lord Justice Ackner's misgiving whether, in relation to persons from overseas (whether EEC or otherwise) or indeed to some persons moving from one part of this country to another, the Act was as well suited to their needs as it was to those of the native-born.

The difficulties of the Act were certainly diminished to some extent by the Court of Appeal's decision in *De Felio v Crawley Borough Council* (1980) QB 460 where a whole family was held to have deliberately left accommodation which was available to them in Italy, which, having regard to the housing situation in Crawley, it was reasonable to expect them to have continued to occupy. But many foreseeable difficulties remained, and his Lordship ventured to suggest that the House should reconsider the Act. He would allow the appeal and grant declarations as sought by the notice of motion.

LORD LOWRY, concurring, said that Mr. Justice Goff had said that the applicant was in priority need because he was in a room at Cowley Mill which was not available to him for occupation.

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the panel's decision unless it was plainly unreasonable.

It was clear that the policy of the Act included the object of bringing the applicant's family to this country and his Lordship could not readily adopt a strained construction which would frustrate that policy and promote the objects of the Act. He held that the applicant was in priority need and that the council's decision was unreasonable.

The local authority had to administer the Act and their official duty was to ensure that the applicant's family was brought to this country and his Lordship could not readily adopt a strained construction which would frustrate that policy and promote the objects of the Act. He held that the applicant was in priority need and that the council's decision was unreasonable.

One of the reasons in their case amounted to a submission that a housing authority owed no duty under the Act to a family unit which had not previously occupied a family home in Great Britain. His Lordship found that to be a special case of advancing the equally untenable general proposition that housing authorities owed no duty to "outsiders" under the Act.

It was linked to the proposition, which would penal

Advice from a Prince

Why big business should think that small is beautiful — by the Prince of Wales

The Prince of Wales, who had been planting trees earlier yesterday in Hyde Park with the Princess of Wales, was in a practical mood again in the evening. He addressed the Institution of Mechanical Engineers, Britain's largest professional organization in engineering, at a dinner at the Hilton hotel in London, and took as his theme the role of the individual in business in Britain. He opened in a light-hearted vein but turned to the more serious issues, including the role of small business and Britain's black economy. A partial text of his speech follows.

"One of the most appalling problems confronting the business community on occasions such as these is the choice of a theme on which to propound one's outlandish theories—and, perhaps, by which the expectant, hushed audience can be appropriately entertained. I am sure you all know the problems."

1. Will my theme turn out to be exactly the same as one of the other speakers? (If so, you can actually feel the ulcer forming.)

2. Can I find a theme which is new and exciting and which won't begin to demoralize me because I have heard myself speaking on it countless times?

3. If I do find something new and exciting, how do I prevent it being too controversial and causing mass resignations from the Institution of Mechanical Engineers?

4. If it isn't controversial, how on earth do I persuade anyone to pay attention and listen to what I am saying?

5. How do I stop my wife from removing my pen while writing this, sitting on my knee and telling me that I ought not to be writing dull speeches, but doing something else?

6. Wait a minute—as an honorary fellow should I really be expected to speak? Why not? Why not one of the other eminently qualified honorary fellows?

7. If I do find a suitable theme, what conceivable difference will it make to the course of events? Will the audience rise up from the Hilton as a man, a distant look in each eye as they march forward towards a new and clearly defined dawn, which I have just inspired them to see? The answer, of course, is an emphatic "no". As with acting, music, poetry or the visual arts, there are endless aspirants to success and stardom, but very few speakers have the natural gifts to inspire large numbers of people to follow their advice. The ones that do, seem so often to be rather dangerous.

"One theme that recurs, and which depresses me deeply, is this one of how badly we are all doing in this country. It is a curious fact of life, maybe of British life, that failure attracts a disproportionate amount of interest. I, along with large sections of the press seem to be one of those people who constantly hear about disasters or failures in all sort of circumstances."

Desperate inventors who want help

"The Institution of Mechanical Engineers knows this only too well because I send poor Alex McKay a certain number of letters a year from desperate inventors or misunderstood engineers to see if he can do anything to help them. After several of these letters will begin to feel that the whole place is suffering from similar problems, but the truth is, of course, that none of the successful people ever write to me—they have no need to."

"And yet there are successes. I heavily dose mention this when I know what problems many companies are facing: that many smaller firms have gone bankrupt and that there are many difficulties to be overcome before new small businesses can be started up. But I do know that there are a considerable number of companies that set an excellent example, even at a time of recession.

"I came across several of them at the annual reception at Buckingham Palace for the winners of The Queen's Award for Export Achievement earlier in the year. A week or two ago I met a number of Asian businessmen who had become extraordinarily successful after coming to this country from Uganda, Tanzania and Kenya without a penny to their name.

"There is little doubt in my mind that the Asian community in this country are quickly setting an outstanding example of what hard work, close family ties, service to the customer and reliability can, in fact, achieve.

"I am sure that a considerable number of firms must have been, and are still being, created in Britain by small firms, run



Advice for a President

Sort out your Cabinet, Mr Reagan

By James Reston of the New York Times in Washington

Judging by the noise around here, you would think the big question about the Reagan Administration these days was not whether it had a nuclear policy, but whether it had a magazine policy.

Mr David Stockman, director of the Office of Management and Budget, was condemned for his loose handling of words in the *Atlantic Monthly*, and Mr Richard Allen was condemned for his loose handling of money "received" by him from a Japanese magazine as sort of a finder's fee for an interview with the President's wife.

This is what has recently dominated the news. In both cases, these incidents were damaging to the President, because Mr Allen gave the impression that he wasn't quite telling the truth about Mrs Reagan's interview, while Mr Stockman gave the impression that he was telling the truth about his criticism of Mr Reagan's budget.

And of the two, telling the truth about what's going on around Washington is usually more dangerous to the President than misplacing what happened to a mere thousand dollars.

Nothing fascinates Washington more than these personal slips and tangles. They are revealing in some ways, and provide arguments for the

opposition in the coming election year, but they also divert attention from the important questions of public policy.

For example, an important event took place in Washington during the uproar over Mr Stockman and Mr Allen that was largely ignored. The President finally presided over a meeting of his National Security Council on Thursday morning to discuss and to sign the American negotiating position with the Soviet Union on the control of nuclear weapons. This is obviously the central question of world politics, because the burden of the arms race, now costing the nations more than \$800,000m (£440,000m) a year, is aggravating the economy of all nations.

So the main news is not really Mr Stockman and Mr Allen, but that the Reagan Administration is finally and reluctantly going through a reappraisal of both its economic and foreign policies.

On domestic policy, Mr Stockman has challenged the assumptions of the economic supply-siders. On foreign policy, Mr Alexander Haig, the Secretary of State, has carefully begun to challenge the assumptions of Mr Reagan's military hard-liners and cold warriors.

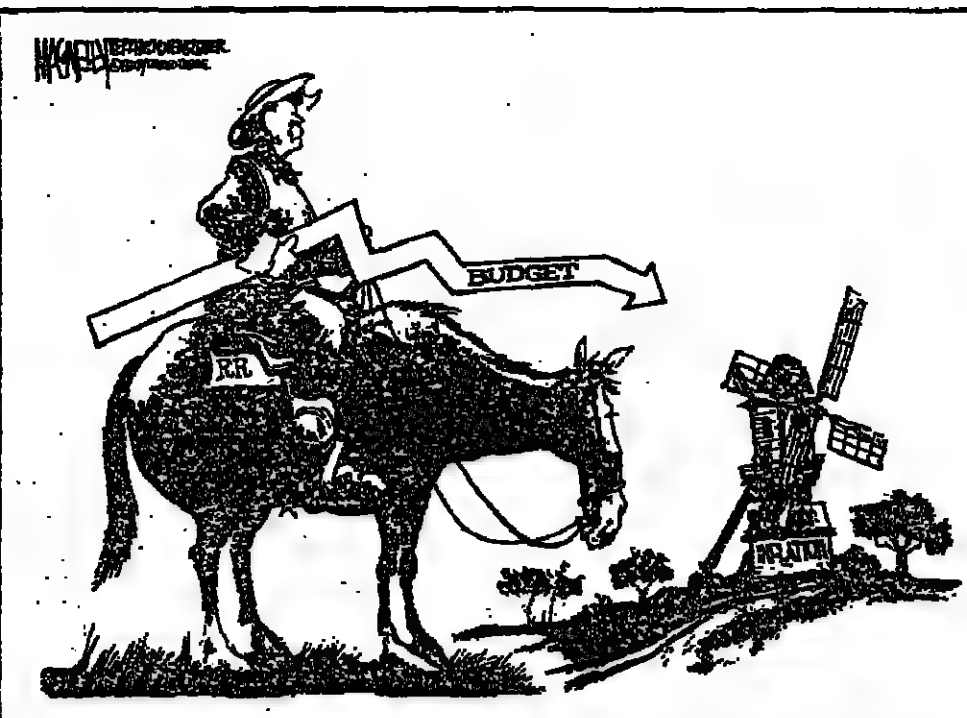
Mr Haig said some interesting things in his testimony before the House Foreign Relations Committee the other day.

He spoke after talking in New York to Mr Andrei Gromyko, the Soviet Foreign Minister, for nine hours. For the first time, he seemed to strike a balance between his emphasis on military arms and his desire for peace.

"The United States wants a constructive relationship with the Soviet Union," he said. "Such a relationship must be based on a secure military balance, respect for the independence of others, restraint in the use of force, and reciprocity in the making and fulfilling of agreements."

Mr Haig added: "The Soviets have deployed over 750 warheads on their SS20s threatening Europe while Nato has not yet deployed one of its planned 572 missiles. Despite this revealing fact, well-meaning people want to know whether we are serious about negotiating limitations on theatre nuclear forces. The answer is clear. Of course we are. We want a balanced agreement, one that would establish equal, global and verifiable limits, at the lowest possible level, ideally zero."

This was the theme of the Secretary of State's argument for Washington's negotiating position with the Russians on the control of theatre and strategic weapons, now to begin soon. He was very tough about restraint and reciprocity, but at the same time he came out



Broken lance? One tart comment from the Chicago Tribune.

strong for serious negotiation to reduce the present tensions, particularly since his previous hard line had proved to be totally unacceptable to the European allies.

It is here that the President will clearly have to intervene between the conflicting views and personalities within his Cabinet, and not just say, as he did with Mr Stockman and Mr Allen, that they should "shut up" and try to stop fussing with one another in public.

What is forcing a reappraisal by the President is not only the doubts of Mr Stockman on domestic policy or the doubts of United States allies on nuclear strategic policy and Middle East policy, but the demonstrations against his casual rhetoric and nuclear policy now developing in Europe.

He is saying on social policy at home and nuclear policy abroad the most hardhearted things in the most lighthearted way, and doubt about his policies is beginning to catch up with him.

The main news now is that the mood in Washington is switching. Mr Stockman and Mr Haig by their remarks, and the allies by their lack of confidence in Mr Reagan's economic, nuclear and Middle East policies, are forcing Mr Reagan's principal aides, if not Mr Reagan himself, to recognize the rising revolt against his amiable drift.

ALL MALT WHISKIES are good. A few, sublime. Among these, there is some gentlemanly jostling for pride of place.

The Old Contenders

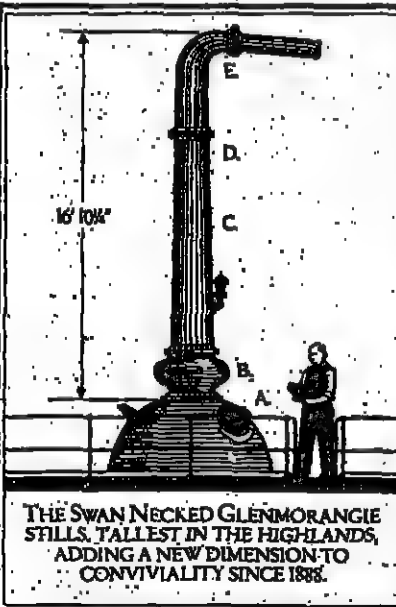
SOME POINT to their products' mist-shrouded history: some to their peat and their barley; others yet to the chilly waters of the burn that feeds the distillery; or to the length of time the finished liquor matures and burgeons in its oaken bed.

Primus inter pares

ONLY ONE, HOWEVER, stands literally head and shoulders above the rest.

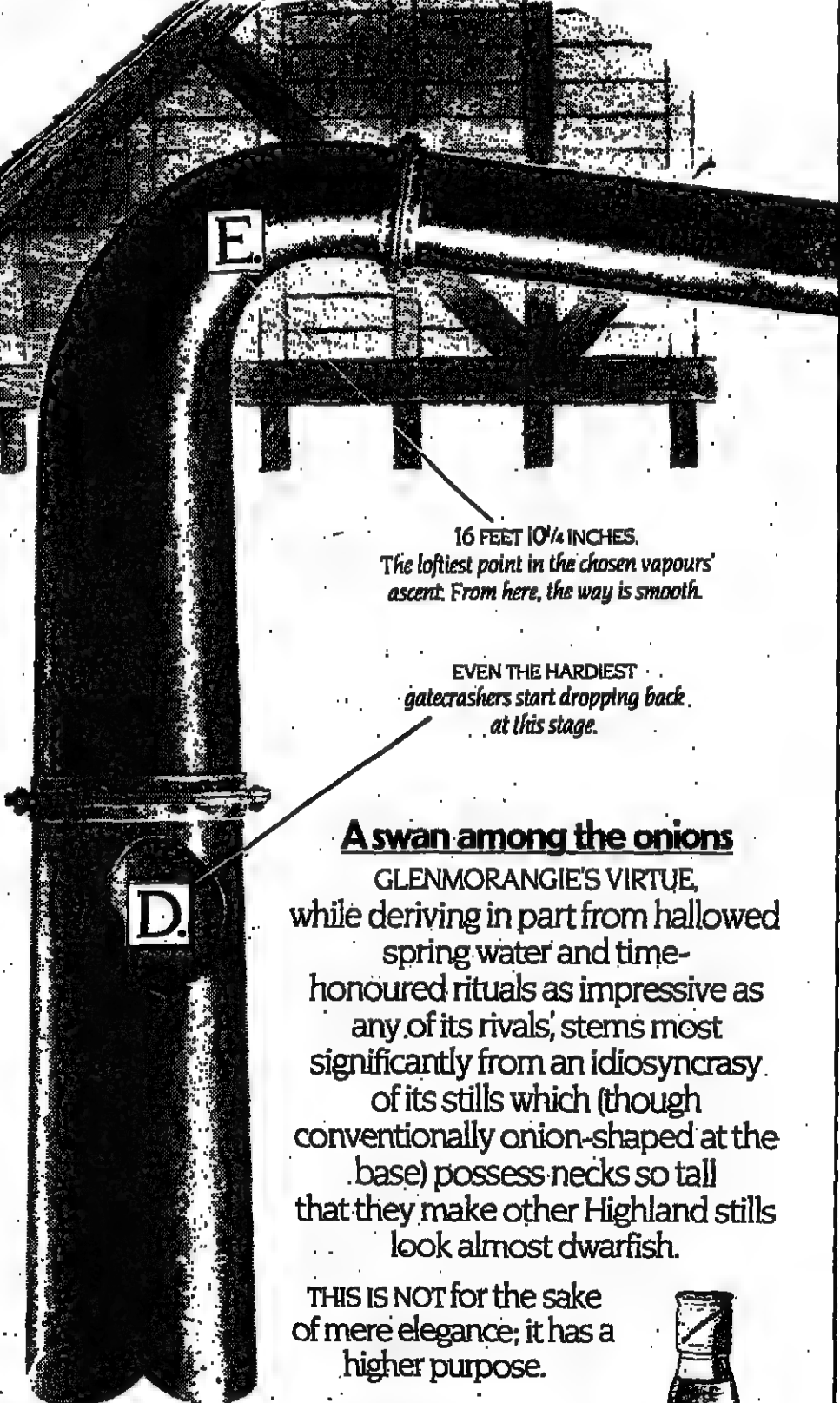
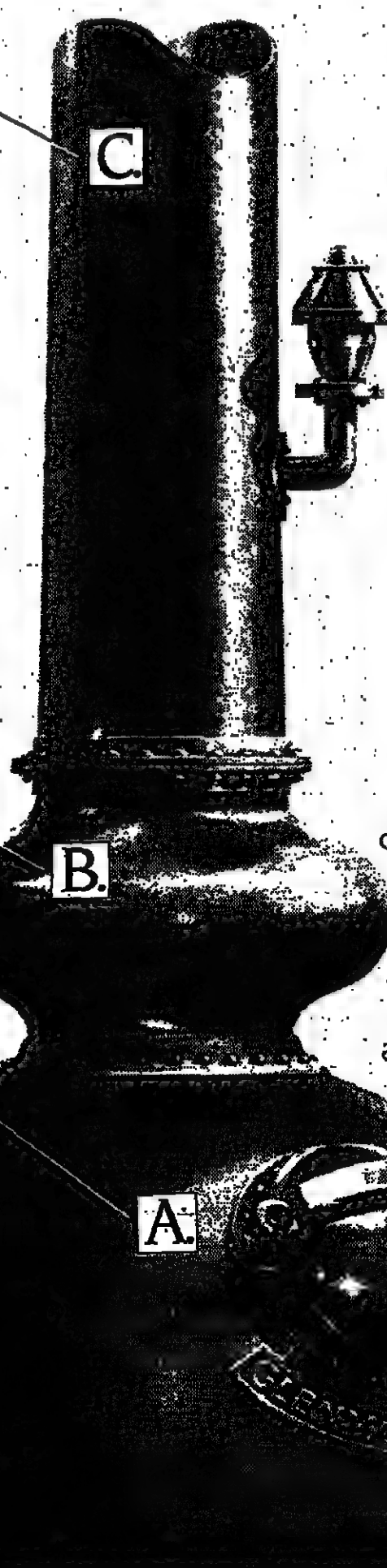
ITS NAME IS GLENMORANGIE, a saffron-gold malt of the most singular sweet-temper and purity.

AT THIS POINT, most other Highland malt stills call it a day. But callow elements can still be ascending.



NOTE THE BULGE in the neck just above the main body of the still. It catches the crasser essences and returns them to the boiling.

THE HEART of the whisky-making process, the still itself, where the cherished ingredients seethe and jostle in anticipation of imminent lift-off.



A swan among the onions

GLENMORANGIE'S VIRTUE, while deriving in part from hallowed spring water and time-honoured rituals as impressive as any of its rivals, stems most significantly from an idiosyncrasy of its stills which (though conventionally onion-shaped at the base) possess necks so tall that they make other Highland stills look almost dwarfish.

THIS IS NOT for the sake of mere elegance; it has a higher purpose.

The height of contentment

THE TALLER THE NECK of the still, the less can the heavier elements and grosser oils climb to mingle with the purer vapours that ascend to the top.

THE RESULT (after ten years' slumber in oaken casks) is a single malt whisky from which initiates obstinately refuse to be weaned, and to which newcomers vow dedication from the first uplifting bibble.



A little nearer heaven than other Malt Whiskies.

GLENMORANGIE

The Glenmorangie Distillery Company, Ltd., Ross-shire, Established 1843.

How Whitelaw put the lid back on Britain's penal dustbins

The first day of the Conservative Conference, October 13, marked a defeat for Mr William Whitelaw, Home Secretary, with wider implications than then realised. Demanding tougher measures to combat crimes of violence, including the reintroduction of capital and corporal punishment, the conference threw out a motion which many delegates believed was too vague and feeble in its proposals for strengthening the forces of law and order.

Mr Whitelaw, who had supported the motion, afterwards went to a room at the back of the conference hall to discuss the result with Mrs Margaret Thatcher.

It is now clear to many working in the penal system that, at that point, his prisons policy was shattered. The carefully even handed approach, with which he proposed to have tough measures against those who deserved them yet cut the pressures on the prison population, was immediately at risk.

One sign of the extent of frustration that has since built up in the prison service was the letter in *The Times* yesterday from the governor of Wormwood Scrubs, Mr John McCarthy, who described himself as "manager of a large penal dustbin".

Prison governors, let alone someone as diffident as Mr McCarthy, do not usually express themselves publicly in such strong terms.

Mr McCarthy would not go on the record yesterday to add clarification to his last sentence: "If I do not stand up I shall be like a political party putting pursuance of power before humanity".

Mr McCarthy who is known to be a man of enormous humanity, did not say he was referring to the Conservative Party, but many, using the same words, do refer to it.

For years, governors, prison officers, Boards of Visitors, senior civil servants and the prisoners themselves have been warning of the consequences of inaction over the rising population and other pressures on the system. In the spring and summer of 1979, many anxious hours were spent within the Home Office in the preparation of a secret contingency plan in case

Prison staff are in no mood to have the political wool pulled over their eyes... They know there is a crisis

the prisons exploded into disorder and possible death. The prison governors had already warned: "So far we have successfully avoided loss of life during serious disturbances, but if the present trend continues there will be a serious loss of control, which has to be quelled by armed intervention by another service. In such circumstances there is a probability of both staff and prisoners being killed".

Then the Conservatives came into office, and with them Mr William Whitelaw, as Home Secretary. Before the election, he had let it be known that tackling the crisis in the prison system was for him a priority. He has continued to say so ever since. But now many in the prison service feel betrayed. They feel they have been sacrificed for the sake of political expediency.

The key to Mr Whitelaw's reversal of policy is his idea for

introducing automatic parole for short sentence prisoners.

Before the party conference, though Ministers were saying that the advantages and disadvantages of such a move would have to be carefully weighed, there was a clear implication that it was essential for the Government to act. They admitted that if nothing was done, overcrowding would get worse. If it did, the Home Secretary would have to consider a much more drastic intervention in the criminal justice system.

Besides, as Mr Whitelaw himself said, extending the concept of parole to cover prisoners serving sentences up to 18 months could bring within its scope almost half the sentenced prison population.

Since the party conference, Mr Whitelaw has gone cold on the idea. He is now ready to ditch it. The reasons he gives are that the courts and probation service have

expressed misgivings about the effectiveness of the scheme. There was a real danger, he said, that an increased length in sentences awarded would offset the effect of automatically releasing offenders after a third of their nominal sentence. Instead, he is now backing the idea of courts being given the power to suspend part of a sentence.

There is a vast difference between the two proposals. Automatic parole could mean the immediate release of people already in prison if the Government wished. The decision would not be that of any court. By contrast, giving the courts the power to suspend part of a prison sentence could have no possible effect on the existing prison population and would be outside the Government's control.

The way he put the replacement proposal across to the annual meeting of the National Association for the Care and Resettlement of Offenders on November 10 indicated the extent of his volte face. He was saying the opposite of Home Office report, done with his approval, as recently as May.

The report, *Review of Parole in England and Wales*, said there could be no certainty that suspending sentences would "achieve any reduction in numbers in custody and would not confer any advantage in the treatment of individual offenders." But Mr Whitelaw said on November 10: "This could lead to a further reduction in effective sentence lengths."

It was that Home Office report that Mr McCarthy referred to in his letter — along with other quoted doubts about the effectiveness of suspending sentences as a way of reducing the prison population.

Prison staff I talked to yesterday were in no mood to have the political wool pulled over their eyes any more. They know there is a crisis that demands immediate effective action. They know that Mr Whitelaw knows there is too. If he does not take that action they will believe, that he is indeed "putting pursuance of political power before humanity."

Peter Evans

Home Affairs Correspondent



William Whitelaw (left) and John McCarthy: a Home Secretary who changed his tune and a prison governor running out of patience

The Reagan ally who won't play the game

The tensions between the United States and its European allies are so much analysed and lamented over at present that Europeans may easily underestimate the significance and potential dangers of the rift on the opposite side of the world between the United States and Japan.

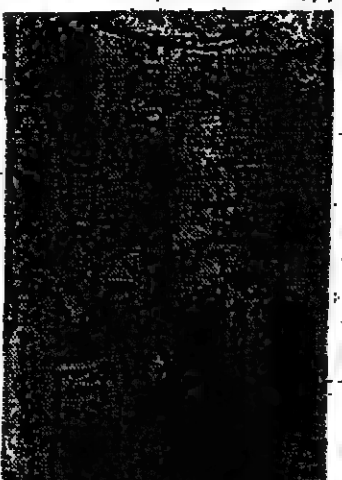
On the surface, the transatlantic quarrels look more dramatic. They involve highly emotional issues in the clash of wayward, not to say uncooperative public opinions on both sides. But these European issues are probably easier to resolve than those that now lie between the Americans and Japanese, and though the Japanese are better than Europeans at dissimulating and other evasive action, their feelings are deeper, more complicated, and may, in the long run, be more destructive.

The Reagan Administration's complaints about Japan's performance as an ally look remarkably like the standard American line with Europe. First, they demand that the Japanese should behave as responsible members of the western free trade system — opening up their markets to outside (and particularly American) exports and reducing the huge (and increasing) trade surplus they are at present amassing. Secondly, they insist that Japan should spend far more on defence and rely less on United States forces in the Pacific. And thirdly they maintain that the Japanese ought to assist American efforts to secure western oil supplies in the Middle East, if not with military support, at least with the application of cash and diplomatic help where it is needed.

Given the present American mood of embittered dissatisfaction with the state of the world, this is neither a surprising nor an unreasonable charge-sheet. It is notoriety the case (as the Europeans have discovered for themselves) that in spite of many promises and expressions of goodwill and some liberalisation, many non-tariff barriers and what an American Congressional committee recently called "cultural barriers to imports" have remained in Japan — the big business groupings, the vertical interlocking of large, medium and small firms, the lack of independent dealers in some sectors, and the ferocious domestic competition for shares of the existing market.

It is also true that Japan's expenditure on defence is still no more than 0.3 per cent of her GNP and that her international aid is miles below even the miserable target set by the UN. As for the Middle East, they have admittedly produced some financial assistance for Pakistan, Turkey and Oman but far from joining the American line they have shown no enthusiasm for the Camp David process and have outraged American sentiment by receiving Yasser Arafat of the PLO in Tokyo last month. The fact is that Japan has done very well as a free rider on the international systems of the past 30 years, and most European governments reviewing the situation in their own markets now heartily endorse the prevailing Washington view: that the Japanese must be induced to pay their way before their activities cause a major crisis in the free trading system. That is why delegations from the European Commission, as well as high-powered enquiries from the United States and Canada have been pouring into Tokyo this past week in a concerted attempt to cajole and admonish the Japanese cabinet into making the remedial action.

In my opinion they have very little real chance of success. No one, of course, can doubt the physical ability of the Japanese to contribute



The intensive hierarchy and paternalism, the elderly tycoons and flocks of deferential juniors, the fierce ambition... and the terrible haphazard ugliness of Japanese cities — these are the manifestations of a society whose underlying competitive pressures are explosive

far more to the international system. Tokyo is crisscrossed with proofs of it — the high efficiency of every kind of service, the aggressive self-confidence of Japanese businessmen, the sceptical intelligence of officials, and the absence of foreign cars from the streets.

Unfortunately there is also abundant confirmation of the narrowness and sheer cultural strangeness that keep Japan aloof. The intensive hierarchy and paternalism, the elderly tycoons and flocks of deferential juniors, the fierce ambition and the lachrymose relaxation in the late-night bars, the exquisite taste for formal beauty, and the terrible haphazard ugliness of Japanese cities — these are the manifestations of a society whose underlying competitive pressures are explosive and which finds in its own private and formalized culture the means of keeping the lid on.

Such a system is not geared to rapid change and does not easily respond to external shocks. The trade deficit can, and no doubt will, be reduced by a variety of relatively minor adjustments including a very reluctant rise in the value of the yen. The bamboo bends to the wind. But a rapid opening of the Japanese domestic market to real external penetration and a major reduction in the international competitiveness of Japanese industry are beyond the ability of the society to deliver.

The first could not be achieved without structural upheavals that would involve the most powerful groups and attitudes that are built into the social fabric of the country. The second would entail putting an industrial revolution into reverse, for even if something were to be done in the short term to blunt the Japanese attack on the traditional sectors of the American and European economies such as steel and ship-building and cars, the huge investment in Japan in the last few years in electronic and precision machinery is virtually bound to establish her by the second half of the 1980s in a competitive class of her own technology industries but in all sections (including tra-

ditional ones) where high productivity can be achieved by technological means.

On the defence questions the Japanese are a danger to policy in less tangible but no less difficult to overcome. The post-war settlement for Japan, conceived basically as an act of submission to the conquering and all-powerful United States. This honourable compact between the victors and vanquished was, and is, seen in Japan as having given her the right to a promise by Japan to renounce her warlike past and to return a promise by the United States, to protect her new client.

The understanding has subsequently been amended by the creation of the small Japanese self-defence forces (limited by statute to no more than 1 per cent of the GNP). But the basic principle involved remains, and almost complete consensus in Japan now exists that the United States must appear to the Japanese to be attacking. Not only are the Americans threatening to withdraw a measure of protection from Japan's cities, but they are also demanding that Japan get into the war business again. To the older generation who remember the war it seems dangerous folly to let this game out of the bottle again, and to the younger an affront to Japanese pride.

There is a self-serving element here, of course, and it is compounded with xenophobia. It simply does not suit the Japanese Government to increase its defence budget in line with the extraordinary growth of Japanese GNP. But there is another deeper factor at work — a stirring sense that Japanese strategic interests are not necessarily consistent in every respect with America's. Fifty per cent of Japan's energy comes from the Gulf and she is determined to secure it, so far as she can, by diplomatic means.

If we have to choose between oil and the United States, the results of Japanese official last week, "we shall choose oil", he hastily added that of course the object of Japanese policy was to avoid this fearful choice, but he was signalling a psychological change in emphasis. The post-war dominance of the United States over Japan is beginning to break up. The disintegration has not yet gone very far and so long as the Soviet Union continues to stoke the mutual enmity and hostility towards the Japanese, their sense of vulnerability will ensure it does not get much further. But the American dilemma is that almost every move the United States wants to make is likely to be regarded by the Japanese as a move to break up the post-war settlement.

To sum up the object of American and European policy ought to be to get Japan to play, so far as possible, a cooperative role within the bounds, and rules of the western economic and political system. The Japanese navy, society and position make it virtually certain that this aim will for many years be at best only partially achieved. What are we to do? One possibility and the policy which has been pursued for the last ten years is to keep on steadily pressing but to accept some quite serious economic advance for a long time to come. The alternative is to reach a Japanese limit, entering on a confrontation, even trade war, with the risk that Japan would move out of our political and economic orbit into a rogue element pursuing its own ends.

Prudence suggests that we should continue, on the second path and the question is whether the mounting political pressures in the West will allow it.

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Mirror, mirror on the wall — lie to me

New York

Plastic surgeons seem poised to take over from psychiatrists as merchants of the American dream, though they are none too eager to grasp the honour. More than 2,000 were in New York recently to celebrate the golden jubilee of their professional association and determined, it seemed, to show they are just as boring as any other type of surgeon. Yet the high seriousness of the scientific programme was subverted by the off-stage gossip, the whispered hero worship that went on in the hotel lobbies. "Guess whose nose he has just got... There goes the boob king of Las Vegas.... That's the guy who's resting half the asses in Beverly Hills. As the surgeons and their "companying persons" waited for limousines to take them to theatres and restaurants, the style of conversation reinforced the American suspicion that plastic surgeons are doctors who train to do good, then learn to do well.

The American Society of Plastic and Reconstructive Surgeons Inc. is sensitive about this image and has the public relations bills to prove it. One of its handouts emphasizes that only 40 per cent of its members' operations involve "aesthetic surgery" and, sure enough, the

week's scientific programme harped heavily on the treatment of burns and the "replantation" of amputated limbs.

Even so there was much talk in the bars about "body sculpting" and one stand in the exhibition hall did a brisk trade in cheery pictures for the surgeons to show to their patients — an ape-faced man saying: Don't envy a good complexion... buy one, and a woman — blonde, of course — sitting in negligee before her dressing table saying: "Mirror, mirror on the wall... lie to me." The society's official emblem is a scalpel-clutching hand rampant before the Venus de Milo. When I asked whether this implied that the surgeon had cut off the arm and was about to "replant" them, I got the curt reply: "The official symbolism is Venus reconstructed."

The most relaxed surgeons at the conference were those who actually enjoy their specialty's racy image. Most of them practise in California or are lazy-accented Southerners who tend the cosmetic needs of folk of the ilk of the J. B. Ewings.

The Californians have few hang-ups about their work. But then, neither do their patients. David Niven has described how he once embarked on a throwaway

remark at a dinner party. You can always tell a woman's plastic surgeon by the cut of her... He had the attention of all seven faces around the table and realized with horror that each one bore that uncreased smile that only a surgeon can hitch to a place. Then he remembered he was in California and relaxed, for there few people have inhibitions about their cosmetic operations. Dammit, all the surgery is so expensive you want folks to know you can afford it.

In California, a woman who has had a face job, a chin job or a boob job will give a cocktail party for her plastic surgeon as soon as the scars have healed.

Even more dispiriting is the risk of cosmetic overkill. One "happy" hour I happened upon a bunch of aesthetic surgeons and their wives and girlfriends. At first glance the women were stunningly attractive. A second glance revealed that every one of them had been "body sculpted". The effect was detestable. They reminded me of those aloof ladies who,

done for her. The surgeons, whose role hovers uneasily between that of doctor and pistol, are delighted to attend because these after-party parties are where they recruit most of their future customers... a sort of surgical Tupperware technique.

The Californian approach to cosmetic — I beg your pardon, aesthetic — surgery derives quite naturally from the cult of youth that prevails in that state. (In Santa Monica you qualify for a senior citizen's pass at the age of 50). In truth, the chase for youth is much more after youth as after the energy that youth bestows. And, as the cult has spread east, it has produced casualties. Here in Manhattan, at the end of any working day you can find three men in mid-evening bars striving desperately to live up — or, more accurately, down — to the age of their hair transplants.

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when I was an adolescent, modelled underwear on London Underground posters and whose breasts and thighs were surely sculpted from ice.

The most beguiling explanation of why first psychotherapy and now cosmetic surgery are logical adjuncts to the American Dream, comes from a British expatriate, Bruce Sloane, who is chairman of the Department of Psychiatry at the University of Southern California. He talks of the "Samurai" concept of psychiatry. This depends on people believing they all have it within themselves to achieve greatness — indeed to become President — if only some therapist could fish out those inhibitions and complexes that get in the way and hold them back.

Could it be that people now believe that it's not to murder, but to have big eyes, baldness or sagging boobs that prevent them fulfilling that elusive dream? Physical image could be as important as mental cleanliness. Hiding the yellow brick road may not, after all, be a matter of letting it all hang out, but of getting it all tucked in.

Michael O'Donnell
The author is the editor of *World Medicine*

Betting begins on a new Chief Stipe

With the imminent retirement (in the spring) of Evelyn Russell, the Chief Metropolitan Stipendiary Magistrate (the "Chief Stipe"), it is heard that the racing solicitors have opened a book on his successor. The "evens" favourite is Edgar Bradley, now at Camberwell, who is the right age and has the right kind of experience.

Traditionally, the £23,250-a-year appointment falls to a magistrate who is senior both in age and service. Recent incumbents have held the extremely demanding position for just a few years. Russell himself, who will be 69 next month, became Chief Magistrate only in 1978.

If this pattern continues, William Robins, former clerk of the magistrates' courts and who sits at Bow Street with Russell, is probably too young at 57. Similarly, David Hopkin (Marlborough Street), vice chairman of the British Boxing Board of Control, is knocked out at 59, as is 52-year-old Ronald Barde (Bow Street).

If there is to be a break with centuries of tradition, and a woman appointed, the rather firm Audrey Frisby, 53 (Wells Street) would be the choice, but surely she will have to wait one more time.

Not only is Edgar Bradley's age, 64, about right for the job but his experience as a committee man also puts him ahead of his rivals. Much of the Chief Magistrate's work is taken up with such bodies as the Lord Chancellor's Com-

mittee, and the Magistrates' Courts Association. Bradley qualifies on this score as chairman of the Legal Committee but he has also been on the council of the Justices' Clerks Society.

He will be the one to beat, though some fancy Eric Crowther, 57 (West London), another experienced committee man.

The *Times* Diary betting: Bradley evens, Crowther 3 to 1, Robins 4 to 1, Hopkin 6 to 1, Barde 10 to 1.

Cuisine royale
Rosanna Lloyd is the rather shy daughter of a Welsh solicitor. She is also a mean cook with a wide range of dishes from bread and butter pudding to coulibiac (a Russian fish pie with flaky pastry and ingredients including sevin, mushrooms, egg and cream).

In the New Year she will move to Highgrove in Gloucestershire as cook-housekeeper to the Prince and Princess of Wales.

Yesterday Miss Lloyd, 34, took time off from her duties as cook at Wolf Castle Hotel near Haverfordwest (praised by Egon Ronay for its culinary delights) to say: "I am delighted and very honoured."

The royal couple had been searching for several months for a cook at Highgrove, the Georgian mansion refurbished, as this *Times* Diary disclosed, by Dudley Poplak, the interior designer.

Miss Lloyd, who was yesterday preparing venison in beer with chestnuts for 50 hotel guests, expects to cook a lot of simple dishes when the royal couple are also put in ahead of his rivals. Much of the Chief Magistrate's work is taken up with such bodies as the Lord Chancellor's Com-

THE TIMES DIARY



appears to have paid off better than even it had hoped.

The institute, which will celebrate its fourth anniversary with a dinner at the Painter Stainers' Tavern, has just learned that Osama El-Baz, chief of cabinet of Egypt's new President, Hosni Mubarak, has agreed to address the 150 or so diners.

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Until recently, you couldn't find a cassette deck without it.

Listen to most cassette decks and you would swear there was still a snake in the works. All that tape hiss and noise just isn't good on the ears.

So Sony have eliminated the sound of the serpent by building a cassette deck which features the new Dolby C noise reduction system.

The advantages of Dolby C are twofold. It reduces noise over a wider frequency range and provides 20dB noise reduction.

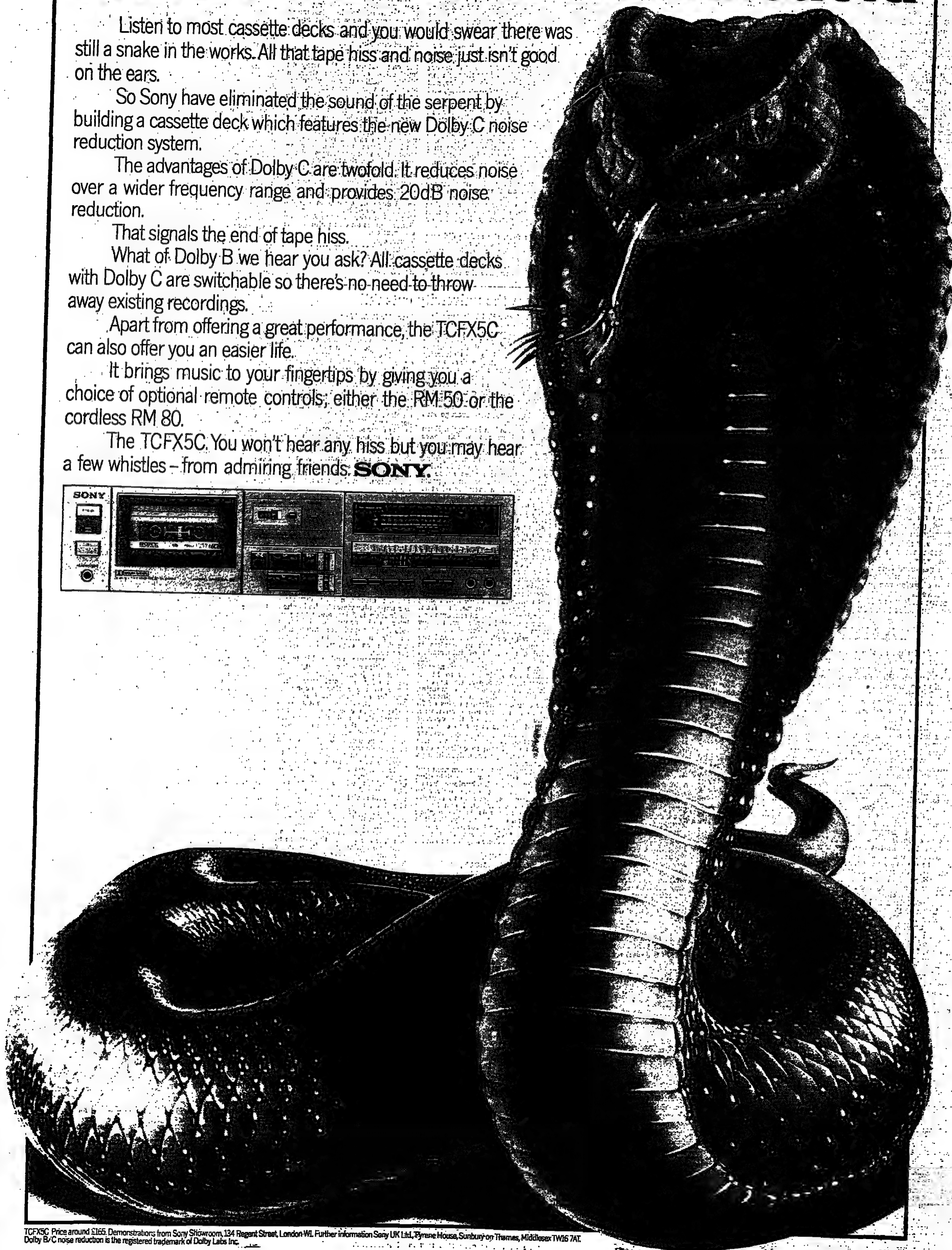
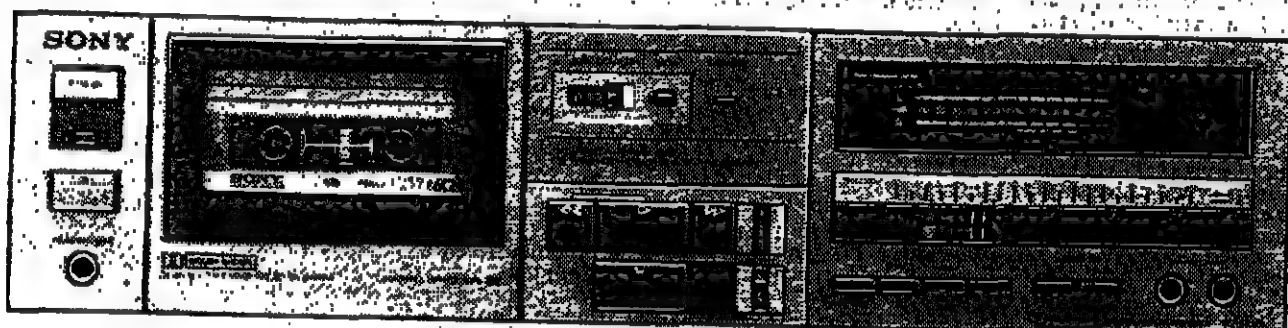
That signals the end of tape hiss.

What of Dolby B we hear you ask? All cassette decks with Dolby C are switchable so there's no need to throw away existing recordings.

Apart from offering a great performance, the TCFX5C can also offer you an easier life.

It brings music to your fingertips by giving you a choice of optional remote controls; either the RM 50 or the cordless RM 80.

The TCFX5C. You won't hear any hiss but you may hear a few whistles - from admiring friends. **SONY.**



TCFX5C Price around £165. Demonstrators from Sony Showroom, 134 Regent Street, London W1. Further information Sony UK Ltd, Pyrene House, Sunbury on Thames, Middlesex TW16 7AT. Dolby B/C noise reduction is the registered trademark of Dolby Labs Inc.

THE ARTS

Television

People in cages

With the Borgia bottom-count shooting up nobody should wonder too much at the sensation-crazed BBC's frantic desire to drag nobler animals down to its level. Last night it was the turn of a mild and thoughtful chap called Jumbo, whose most intimate secrets were paraded in close-up.

Jumbo is one of the most potent of his race, and in his seed lies his hope of survival. We saw him upended, probed, stimulated and extracted from. The cameras made a seven-course meal of it, as the humans in green coats waved their liquid prize to triumph.

After giving the cameras a mysterious little smile, Jumbo's wife gave birth. Then, in slow motion for our benefit, she gave birth again — a crouch, sidestep, lift. She ate the placenta, and then the bloody straw. She was amazingly deft, but in the ensuing hours surprisingly unmaterial. Now the humans made up for it, lavishing every possible paediatric care on the squalling infant.

A former bricklayer's apprentice called Richard Johnstone-Scott treats Jumbo with the respect he deserves. He finds him "very honest, very straightforward" and when he greets him civilly in the morning he always gets a civil reply, unless Jumbo has something weighty on his mind. Gerald Durrell, who presides over the zoo, is dedicated to saving people like Jumbo from the extinction with which humankind has threatened them.

Gorilla G. Gorilla (BBC2) was a bizarre and curiously affecting programme, which at least had the decency not to try to elucidate, through dramatized reconstruction, how Jumbo's tiny penis managed to penetrate N'Pongo through the bars of his cage.

Besides the felicitous juxtaposition of the above with the best monster movie ever made, Sunday's edition of *Everman* also has pertinent things to say about our monkey forebears. And coincidence prevails on current affairs as well: last night's edition of *TV Eye* filled the ground which *Newsnight* had filled just two days previously.

In *The Mafia* and the *Earthquake* (Thames) a gangster king received his courtier's kisses through the bars of his cage. He was one of the loaches who had been bleeding earthquake victims of their emergency funds. Peter Gill's report tracked down another leech, president of his local football club, and travelling by bullet-proof Merc to inspect the scene of his ongoing depredations.

One sees why Italy is such fertile ground for revolution. If funds are dispensed by local authorities, the local Mafia gets them and yet more faulty buildings go up. If the government intervenes, their representatives get death threats. Even the Thames crew got threats, for trying to film a funeral. See Naples and die.

Michael Church

Cinema

Melodramatic search for salvation

True Confessions (A)

Screen on the Hill; Gate, Bloomsbury

The Life and Times of Rosie the Riveter

ICA Cinema

The End of August (A)

Curzon

The Crazy Horse of Paris (X)

Warner, Classic, Oxford Street

From Mao to Mozart

Tyneside Cinema, Newcastle

Shogun (A)

Empire, Leicester Square

Since John Gregory Dunne adapted his novel *True Confessions* to the screen, it is his own responsibility if the result is more a *Readers Digest* selection from its complexities than a real recreation in cinematic terms. That the whole thing is again in comparison with the novel — generally somewhat enervated — seems more the fault of the director, Ulu Grosbard (who has mostly worked in the theatre), seeing that he has two outstanding actors, Robert Duvall and Robert de Niro, in the leading roles, and a strong supporting cast. In the outcome what could have been a much more remarkable film is simply a melodrama of moderate interest, with its social and moral implications rather ostentatiously embroidered on.

The old movie view of moral conflict was Jimmy Cagney as the hoodlum fallen angel and Pat O'Brien as his priest brother who effect the last-wish, dying-breath atonement. Life is not so simple now. Duvall is a policeman, no more or less corrupt than screen policemen are supposed to be. Now, though, it is the priest brother who is in need of salvation. De Niro is a worldly priest, an ecclesiastical top executive, caring for the church's real-estate wheezing and dealing, and spending less time in the sacristy than at business lunches with the mobster magnates of the city.

The crisis in their relationship is precipitated by an ugly murder — based on a real Los Angeles case of the forlorn "Blue Dahlia" affair. The professional lives of the two brothers clash, with cata-



Clash of brothers: Robert Duvall as policeman and Robert de Niro as priest in "True Confessions"

strophic results to their worldly careers but perhaps (as a twenty-years-on epilogue intimates) something like spiritual salvation.

If the book had more to offer, by way of both moral and social reflection, the film's setting, its portrayal of the corporate operations of a rich church, and some supporting performances (the excellent Charles Durning as a heavy-weight building contractor, Rose Gregorio, in private life Mrs Grosbard, an ageing and tired madame) are compensations.

It is, I realize, straining credulity to recommend as the most attractive and satisfying film of the week, offering a real experience for the money, a feature-length documentary on women munitions workers in Second World War America. I have already written about Connie Field's *The Life and Times of Rosie the Riveter* from a couple of festivals, and have seen it with increasing pleasure, more times than that its outstanding quality is that it is something that could be done in no other medium. A good many documentaries might just as well appear as newspaper or radio features or colour magazine spreads. But *Rosie the Riveter* uses to the full the cinema's ability to recapture intact the look and the sentiments of past times, and sometimes to expose its own previous mendacities.

Connie Field got the idea for the film from a California "Rosie the Riveter Reunion", and with grants from the National Endowment for the Humanities and other charitable sources, conducted interviews with many hundreds of women who had gone into war work. Out of these she chose five representatives — three black, two white — all marvellously lively, intelli-

gent, attractive and articulate women who recall their experiences with a mixture of pleasant nostalgia and detached bitterness.

The reminiscences are interspersed with the realities of the period — old news films, recruiting trailers, *March of Time* and pop songs of which "Rosie the Riveter" is not by any means the most awful. The old stuff is extraordinarily evocative of the period, of the great surge of emotional patriotism and the propaganda drives that sustained it. The old films show the armies of eager smiling women working shoulder to shoulder with the men, their babies lovingly cared for in official crèches. A welder's visor is snatched up to reveal the immaculately made-up face of an actress who delivers a tidy script about the fulfillment she finds in doing her duty.

It was not a bit like that, say the actual women of three decades on. The men did not want women, and nobody wanted blacks. Sexist and racial discrimination was virulent; the struggle for unionization and fair wages was met with bullying and lockouts. Families were broken up; they never heard of crèches. Standards of hygiene and safety were terrible.

The women stayed — and stay — cheerful and funny, and brave. They needed still more bravery after the war when their jobs had to go back to the men and the official propaganda changed. The films of the time now strive to return the women to their proper roles of cooking and sewing and serving, and government trailers offered portrait pictures of the neglected and delinquent children of undutiful working mothers. Women who had acquired valuable skills could only find jobs as kitchen

hands or laundry attendants. But you cannot keep a good woman down. The resilience, spirit and humour of Connie Field's indomitable heroines sends you out elated and loving them.

The women's struggle is also the theme of *The End of August*, adapted from Kate Chopin's novel *The Awakening*. The book has attracted new interest in recent years, for its early account of a woman battling to establish an independent personality in a male-dominated society (New Orleans around 1900). Chopin was still to an extent a prisoner of her times: the end of the novel, as of the film, is rather romantic defeat than social progress.

The film has all the attractions of a work done with affection, dedication and a will to make the most of limited resources. The most profitable of these resources were the locations, in Alabama and other places, where the film was shot. The film, which is the feature debut of Bob Graham, and is photographed by Bob Elviss, is consistently good to look at, deftly, impressionistically giving a sense of the period.

The shortcomings lie rather in the script and the performances, which simply do not measure up to the subtleties of character and relationship that are admirable in the novel. Paul Reubens is a wooden caricature of the indifferent husband; and David Marshall Grant is in no way a charmer that any woman could die for. Kathleen Widdows's professional dexterity in a supporting role shows up the inadequacies of the rest. The heroine is played by Sally Sharp, the co-producer and driving force behind the realization of the film. Un- fortunately she is far too

individualistic to be subdued to the character or the period, and remains obstinately what she is, a confident working lady of the 1980s.

Another (though unintended) tract for feminists is *The Crazy Horse of Paris*, a close-up, frivolous record of that institution, dedicated as it seems to be to glorification of the youthful female bottom. The debasement of the sex is blithely unconscious; the girls of the *Crazy Horse* are required to have nothing in their heads and few talents beyond the skill to master the limited choreography of the buttocks "arch", "thrust", or (oh, sacrilege) "Josephine Baker".

On Sunday the invaluable Tyneside Cinema has the British premiere of Murray Lerner's new Oscar-winning documentary *From Mao to Mozart* — Isaac Stern in China. Filmed two years ago, it is a thrilling memorial of the reunion of two cultures long forcibly separated, and of the particular impact of one great artist and resolutely human being.

Shogun is a less illuminating vision of the Orient. It appears to have been bodged together out of episodes from a much longer television series about the adventures of an English navigator in seventeenth-century Japan. Only such provenance could explain the aimless, episodic scenario, in which the injury it does to memories of the Japanese historical cinema by the humiliated presence of Kurosawa's greatest actor, Toshiro Mifune. One's sympathies go to like Simón, the poor, dedicated character, who is the central role. The director was Jerry London.

David Robinson

Theatre

Moral queasiness

Money

Other Place

As a piece of programme planning Edward Bouverly Lytton's "serious comedy" fits snugly into the RSC repertoire as the latest in their sequence of forgotten Victorian hits, and as a genteel companion piece to *Timon of Athens*.

The play itself is unlikely to take on a second lease of life like its near-contemporary, *London Assurance*. For one thing, it suffers from the usual moral queasiness that besets attacks on materialism written for the materialist entertainment machine. It is about the triumph of true love over fortune-hunting, but it goes without saying that only the well-to-do are qualified to enter the game in the first place; and that, far from undergoing Timon's experience of actual destitution, Lytton's hero, Alfred, merely pretends to have lost his fortune so as to put out the affections of his betrothed.

Money is not in question here any more than elsewhere in Victorian fiction; the real subject is hypocrisy, and at least Lytton comes clear on that score with a final acknowledgment that the best foundation for an irreproachable idealistic union is plenty in the bank.

Lytton was not kidding in his threat to unleash "real passions" into the comic playground; and in the scenes illustrating Alfred's thwarted passions for the high-minded Clara comedy is firmly shown the door. The play exists in two water-tight compartments: the first is a melodramatic and social satire. Pity the actress who has to say, with a straight face, a line like, "Oh misery, misery, but he shall not perceive it, when her rival is shortly permitted to receive 'jewels, yes; the drive will do me good'."

Whatever symbiosis there may be remains undiscovered in Bill Alexander's production, which thrusts the company up on to rhetorical stunts, exposing every creaking side and contrived caving-dropping in the melodramatic scenes, and lets them drop gratefully back to earth for the satire. Some of this is as elephantine as an old *Panitz* caption, with characters running round the stage, identifying as "Stinky Jack" or "Deadly Smooth", but what saves the show is a series of well-organized set-pieces to which Mr Alexander does full justice: the first act reading of a Nabob's will, bestowing the family collection of empty bottles on his fawning relatives; a final sorting out of the financial and marital partnerships; and above all, the club scene where Alfred

goes through the motions of gambling his substance away under the gaze of various interested observers, including his appalled prospective father-in-law. Centre stage throughout the show is a crimson velvet conversation chair, occupied in this scene by the club's oldest member, sublimely unaware of what is going on, and putting in increasing questions demands for the stuff box.

Whenever released from clutching his head in Byronic despair, Paul Shelley leads the intrigue at a fine lick, ably partnered by a placidly insensible Jane Carr and a benevolently morose George Rainforth, playing a side-kick who has most of the best lines.

Irving Wardle

Two half-shattered walls topped with corrugated iron, framing a waste of burst tyres, battered bollards and the odd crisp packet. Jenny Trammitt's set seems to have been designed in fact to do, but if you think the characters are coming from the audience, it is true enough. All round the Theatre Royal are derelict sites, and those leads eyeing your briefcase as you stride in and out might be Paul and Saff, damned as unemployed and with only the Jam, or wog-bashing, to offer excitement or a sense of fulfilment.

Jenny Trammitt is still only 21, but he can write so well that you cease to worry about whether his plot situations are plausible or unduly protracted. At least, he can write about this world, these people and this part of town, where if it was not for *the Day*, they would not know what grass looked like, where they feel the summer sun is only making guest appearances, on government orders, like the Queen, and where no frustration is spared them (Saff claims he and his wife are getting engaged). They have nothing to lose; crime and punishment become meaningless when society seems like Borsal.

Jamie Foreman and John Fowler sustain the pace as relentlessly as the two "fevered" brains, and every detail tells, from Saff's characterization of the police as head boys from Finchley schools whose nurses had girlfriends to his recklessness at being identified because he feels he no longer has a face.

When Mr Marchant starts the action, it works less well. They take two marks round to confront the last personnel officer who turned Paul down and "make his face look like a salt-stained trifle". His life of credit cards and weekend walks is realized with the same precision, but David Allister's mannered performance makes him the caricature they think him. But, against all odds, Mr Marchant finds an ending which, as surprising and inevitable, both

surprising and inevitable.

Anthony Masters

Thick as Thieves

Theatre Royal, E.15

Interview

Double life in the bass

"I don't think of myself as a bass-player," says Garry Karr. He was born in Los Angeles 40 years ago into a family of seven generations of bass players. In the last 20 years taken 40 bass concertos into his repertoire, founded an international institute for bass players, and plays himself on Koussevitzky's own instrument, given to him by the famous conductor's widow.

"I'm a singer, not a bass player. When I play the bass it becomes my voice. I studied it as a singer. Jennie Tourel was probably the strongest artistic influence in my life. I learnt to phrase like a singer. I even put commas in my music where to breathe."

On Sunday, his Wigmore Hall recital will include the *Pontic Serenade*, variations on tunes from Bellini's opera by Bottesini, who wrote 13 operas himself and was chosen by Verdi to conduct the premiere of *Aida* in Cairo. It is not only the lyrics of Bottesini which is so near to Karr's heart, and indeed, to his own style of playing, but his personality too. "He loved to bring people into the fold that wouldn't normally come to concerts. When touring with an opera he'd buy tickets and give them free to people in the square. And in the interval he'd give entracte performances on his bass to display the virtuoso capabilities of the instrument — and to make people laugh as well."

It is a tale he often tells at his recitals — where audiences always seem to laugh. The high level of sheer performance, even of showmanship, in Karr's own playing, whether in the 90 per cent serious content of his programmes or in the wit and sleaziness with which he projects moments from a more substantial pageant, causes not a little embarrassment and hostility from fellow players and critics. Was it just the nature of the instrument that made it so easy for him to perform so exuberantly? "Well, of course, it's a good



Karr the extrovert

excuse. But I love to open up my guts and let them pour out to everybody — it's a kind of emotional exhibitionism. Guilt. And I want to talk to the audience as well, to let them know and feel my responses to these composers on every level. We've gone through 50 years of very academic, non-personal performances and accurate recordings as a reaction against nineteenth century performers' excesses and disrespect, and now I think we've reached a point where people are sick to death of it."

Eyebrows also rise at his decision to play transcriptions rather than the comparatively small repertoire of original music. "If you play only original music, your standards remain double-bass music. I want to emulate the best of cellists, pianists, flautists, singers, so that people will forget I'm playing a bass and concentrate on the fact that I'm playing music." His Sunday recital also includes a violin sonata by Aaron Copland who said of his transcription, first heard in Europe this year at

Edinburgh, "it is a daring venture, one which only Garry Karr could carry off successfully". Karr's friend and pianist, Harmon Lewis, with whom he has been performing as a duo for 11 years and who is an accomplished organist in his own right, points to the historical precedent in Bach who developed his organ playing from transcriptions of Viennese violin concertos.

And Karr is adding to the double-bass repertoire by commissioning works himself. He was working with Henze in the Juilliard School on the composer's *Elegy for Young Lovers*. "I was in love with the piece. It was so lyrical. Henze wrote a neo-romantic concerto for me, but it wasn't as good as I'd hoped because by then he was on to another stage in his development." Wilfred Josephs and Joseph Horowitz have written works for him, and he's on Liszt's waiting list — and he'd give anything for Tippett to write something for me!

Performing is not, though, all there is to Garry Karr's life. He has worked with deaf children and doctors in the University of Wisconsin, has taught class music in some schools, and holds a teaching post at the University of Hartford, Connecticut. "Teaching is something I just can't turn my back on — I've got to make time for it. I keep my fingers in the door by going into school as I travel."

He still finds time, and energy for an almost equally absorbing passion: collecting toy cars, ferris-wheels — and fire engines. He has one real 1930 Chevrolet engine and a room full of toy models — they satisfy every aesthetic sense, possible! "And then there are antique pocket watches. 'My dream is to have a minute repeater. And his other dream? 'To have an international series of children's music programmes on television — we're working on it. And through that to achieve my greatest ambition of all: to put a double-bass in everybody's home."

Hilary Finch

Concert

Organic solemn tread

RLPO/Atherton

Festival Hall/Radio 3

As her feast day approaches each year, Blessed Cecilia is celebrated by a Royal Concert presented by and given in aid of the Musicians' Benevolent Fund, and other associated charities. This year the Queen and the Duke of Edinburgh were present to hear a specially commissioned *Cantata for St Cecilia* by Edmund Rubbra, inspired by pictures of the saint seated at the organ.

Players from the Royal Military School of Music, conducted by Lt-Col George Evans, who are regular guests at the celebration, did sound remarkably organic-like in this "three-minute solemn-sounding piece" as Rubbra calls it, firm and sure of step, its strong, terse progress towards a fortissimo climax moves through lines of individualized sound drawing out

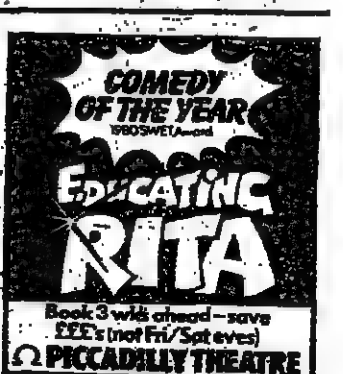
and dissolving back into the texture with all the skill of sensitively selected organ registration.

John Lill was the soloist with the Royal Liverpool Philharmonic in Rachmaninov's second concerto, a performance in which the orchestra responded brightly and alertly to Mr Lill's tough, plain-speaking, firmly muscular playing, softening the edges of an occasionally overblown, overpercussive piano timbre with deep-breathed and generous resonances.

Lill could, perhaps, have taken a tip from the warmth of the viola playing in the finale; but David Atherton ensured that an exquisite poise was maintained in the second movement, the pulse taught and flowing especially between piano and wind soloists, its near-suspension movement flickering only to be warmed into life again at the intuitively right moment.

That same sense of flowing current, of pulsing, malleable energy, caused and brought into relief by some fine solo and section playing, made one acutely and freshly aware on Wednesday of the sharp originality and daring of idea, construction and orchestration in Sibelius's first symphony.

Hilary Finch



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Business News

THE TIMES Friday November 20 1981

The row over foreign banks, page 19

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Marathon Oil is rescued by US Steel

By Paul Eilman and Michael Frost

US Steel appears to have rescued Marathon Oil from an unwanted takeover bid by Mobil although US Steel may have to pay more than \$6,500m (£3,400m). The deal was seen by many Wall Street analysts as a bargain.

According to announcements yesterday by both parties, US Steel will pay \$125 a share, or \$3,750m in cash for 51 per cent of Marathon's stock and retains the option to purchase the remaining 49 per cent in exchange for 25 per cent of senior notes valued at \$100 each. This would bring the total value of the merger to \$6,500m. Tender offers must be submitted by midnight, New York time, November 28.

Last night Marathon closed 27 1/2 points up at 104 1/2 while US Steel fell 2 1/2 to 28.

Mobil, which is the second biggest American oil company, had offered \$85 a share for 67 per cent of Marathon in a take-over proposal valued at a total of \$5,300m. Mobil failed to buy Conoco, another American oil company, which was acquired by Dupont.

The arrangements between Marathon and US Steel have been structured in such a way as to make it difficult for the US Steel to be taken over by another bidder to enter granted an option to buy 10 million Marathon shares at \$90 each. This is about 17 per cent of the equity.

More important, the two companies have also agreed that US Steel should have an option to buy for \$2,800m cash Marathon's 50 per cent stake in the Yates oil field in Texas. Yates is the second biggest American oil field after Prudhoe Bay in Alaska.

These reserves are Marathon's prime attraction. It is cheaper for some companies to buy known reserves rather than find their own. US Steel, which has been looking for a way to take control of Marathon, has been desperate to acquire it. Marathon, which is the seventh largest United States oil company, fought the Mobil offer on the grounds that a merger of the two corporations would violate anti-trust laws. Marathon also waged a successful public relations campaign claiming that it would lose its corporate identity and its employees their jobs.

However, its case was weakened by a revelation that it had acquired a major oil reserve in Texas, which it was planning to keep. Mobil out of the picture.

US Steel, which was operating at a loss, up to two years ago, has returned to profit and through a drastic programme of closures affecting 15 of its plants, built up a cash reserve of \$3,000m.

Mr David M. Roderick, chairman of US Steel, said the acquisition of Marathon would "achieve the major diversification that US Steel has been seeking."

Hold D. Hooper, Chairman of Marathon, stressed that the merger would leave the oil company operationally independent at its headquarters in Ohio rather than see it transferred to Mobil's head office in New York.



Mr. Frank Lawson, Telecom's director of inland customer services, with some of the telephones available.

Telecom gears up for the phones war

By Clive Cookson, Technology Correspondent

British Telecom will start selling its own telephones in the New Year, ending a long-standing policy that has been followed since the public telephone network was established before the first world war. The sets will be sold in "Phoneshops" which Telecom is opening within high street department stores.

Mr Frank Lawson, British Telecom's director of residential and customer services, said yesterday that the new arrangements were designed to meet the fierce competition expected from private suppliers now that the Government has broken Telecom's telephone monopoly.

According to the liberalization timetable announced on Monday by Mr Kenneth Baker, the Minister of State for Information Technology, private telephones will very soon be approved for connection to the Telecom network. Hundreds of thousands of unauthorized phones have already been sold and attached illegally.

Mr Lawson also said that from this month, Telecom engineers would start fitting extensions with detachable plugs that slot into a simple new type of socket.

By the middle of next year all new telephones and extensions will be fitted with plugs and sockets, instead of the immobile installation that has been used until now. Subscribers will be able to move telephones freely from room to room, or house to house, as they do in the United States. The cost of three new extension sockets will be £45, followed by a 45p quarterly rental charge.

Five British companies are manufacturing the plugs and sockets. Amphenol, Austin Taylor Electrical, Eboneston Industries, GEC and BICC-Vero will also make plugs for authorized private competitors.

Profits fall forces Akroyd directors to take pay cut

By Philip Robinson

Directors and senior executives of Akroyd & Smithers, the stockbrokers, will take a pay cut this year because of the company's plunge in profits from £20m to £6.8m.

Akroyd says it is maintaining its bonus scheme, but Mr Tim Nixon, a senior partner said yesterday: "Much more modest bonuses will be paid. When you see our remuneration in the accounts it will be rather different from last year."

Last year, most of the nine directors more than doubled their pay from between £35,000 and £50,000 to between £80,000 and £100,000.

Senior employees used to earning as much as £35,000 a year were paid as much as £50,000, and Mr David LeRoy, who was chairman, received a salary increase to £95,832.

But in the year to last September 25 Akroyd's figures suffered from a firm shortfall on cash owed to them by Hederberg Stirling Grumbar, the failed stockbroker firm.

Akroyd, which has already received £842,625 of the initial £1.8m dividend, expect to get a further £1.2m by the end of this year but will have to wait for the remainder until a High Court case due to be heard in April, 1983.

The company last £1m in the second half and after paying a dividend the retained profits dropped from £5.2m to £2.2m.

Last month, Wedd, Durlacher, Mordant, one of the big five stockbrokers, signalled that times were hard for jobs. When it cut out half time profit-related bonuses for staff, Mordant's runner put its operating half losses at £3m. The firm has denied the figure but said it had not earned sufficient in the six months to the end of last October to cover both costs and savings.

Meanwhile Smith Bros whose year ended last April and has yet to report the effect of thin trading in the London market on profits, are still enjoying salaries which have been lifted on average 42 per cent.

Threat of world trade war

Tokyo, Nov. 19.—Japan's fast growing current account surplus was pushing the world towards a trade war, Mr Toshio Kuroki, Director General of Japan's Economic Planning Agency said.

Reflecting growing official concern over Japan's foreign trade disputes, Mr Kuroki said: "Overseas discontent is rising so high that we are almost on the verge of a trade war."

Mr Kuroki told business leaders that discontent in the United States and Western Europe "has been causing a protectionist tendency which might deal a fatal blow to the world economy."

He said Japan's current account was likely to swing into a huge \$12,000m to \$13,000m (£6,500m to £6,800m) surplus in the financial year ending next March unless the government took swift and effective measures to curb the trend.

Mr Kuroki was speaking shortly before the arrival of Mr Donald Regan, the United States treasury secretary, for a two-day visit in which he is expected to discuss the trade issue in talks with Mr Zenko Suzuki, the Prime Minister, and other ministers.

Mr Regan's visit starts three days after the United States submitted to Tokyo proposals for opening up the Japanese market to more foreign goods.

A day after delivery of the proposals for abolishing import tariffs on 29 items such as computers and car parts a special Japanese Cabinet Council failed to agree on fresh measures to resolve the nation's foreign trade disputes.

Japanese industrial leaders have joined the United States and Western Europe in seeking quick government action over the trade surplus, which finance ministry sources believe could reach a record \$23,000m this financial year.

The Keidanren, the Japanese Employers' Federation, said yesterday it would formally warn the government by the end of this month that pressure in Western nations for trade protection would intensify unless Japan worked out effective measures.—Reuters.

Exports limits, page 18

Foreign currency deposits up

By John Whitmore

United Kingdom residents greatly increased their holdings of foreign currency deposits last month, according to October banking figures released by the Bank of England yesterday.

The Bank's returns for the five weeks to mid-October show that these deposits rose in value by £960m. About £780m of this represented transactions and the rest valuation changes. It is the largest increase since January.

The switch into foreign currency deposits may simply have reflected a fear that sterling might be about to fall further on foreign exchange markets, even though the pound was looking rather firmer towards the end of the banking month.

It may, however, have been a response to the speculation during the period that the Government might have to consider the reimposition of exchange controls. Over recent weeks this fear has subsided and ministers have stressed that there is no intention of rebuilding financial barriers.

While residents of the United Kingdom were switching into foreign currency, non-residents were also moving out of sterling. Non-resident sterling deposits, which have risen in an almost uninterrupted progression since mid-1978, fell by £447m.

Overall, movements on external items offset domestic credit expansion of £1,580m by £463m in total, leaving sterling M3 17 per cent higher on the month.

Financial Editor, page 19

Japan training scheme under fire

Mrs Janey Buchanan, Labour MEP for Glasgow, yesterday renewed her attack on the European Commission's scheme to train executives in Japan, which she says has cost taxpayers in Europe the equivalent of £2.5m (George Clark writes).

Each trainee was allowed £33,800 over the 18 month training period. This covered full travel costs, a monthly allowance of £1,136 and the cost of language tuition. When they went to Japan, trainees also had an "installation allowance."

The £2.5m covers the 73 young executives who have so far taken part in the scheme, 15 of whom were British. Of the 21 who took part in the first course, which ended in March this year, six have joined Japanese companies.

Mrs Buchanan said: "We should be throwing all the cash and resources we have into our own hard-hit firms, not helping our competitors. Tories who complain if a pound goes on the rates to subsidize transport should be asking about a scheme like this."

Under the scheme the executives from Europe stay in Japan for 18 months; 12 months on a language course and then six months with a Japanese company.

The industries in which the trainees get work experience are: cars, pharmaceuticals, chemicals, textiles, aerospace, nuclear engineering, electronics, civil buildings, banking, toys, office equipment and ceramics.

BL to shed 3,000 more truck jobs

By Clifford Webb, Midlands Industrial Correspondent

BL will today announce an extensive rationalization of its truck and bus subsidiary, Leyland Group. Union leaders fear this may include plant closures and up to 3,000 job losses.

The move has been anticipated since Leyland reported half year losses of £47m, more than two months ago. At that time, Sir Michael Edwards, BL chairman, warned: "Our fixed expenses are too high and we are overmanned in relation to the current and projected market."

Industry sources last night said the plants on the danger list were the agricultural tractor business at Bathgate, Lothian, the Albion axles and gearbox works near Glasgow and Guy Motors, an old-established truck plant near Wolverhampton.

Leyland employ 3,500 at Bathgate, although only a few hundred of these are engaged in tractor production. Speaking at the Scottish motor show last week, Mr David Andrews, executive deputy chairman of BL and the head of its commercial vehicle operations, hinted that the Bathgate truck

business would continue. In the past year, 1,200 jobs have been axed there.

Since Talbot closed its Linwood plant earlier this year with the loss of 5,000 jobs, Leyland has been one of the biggest employers remaining in central Scotland. Its plunge into heavy losses has been a bitter blow for Sir Michael.

Until last year, BL was traditionally the profitable side of BL. But in the second half of last year it turned a first half profit of £7m into a full year loss of £47m, despite reducing the workforce from 28,000 to 18,000.

The principal cause of the sudden collapse is the disastrous slump in the United Kingdom truck market. It has fallen from 80,000 in 1979 to 61,000 last year and a projected 40,000 this year. This has led to such fierce price cutting by all manufacturers that some are now selling their vehicles at a loss, just to stay alive.

It is particularly unfortunate for Leyland because the slump has coincided with the halfway stage of its £350m programme to launch a new range of trucks.

Anger at proposal to break up company

By Peter Hill, Industrial Editor

The break-up of BL, involving the disposal of its component parts to the private sector, is proposed in a report which has been received by the Prime Minister.

The report, drawn up by the right wing Centre for Policy Studies, founded by Mrs Thatcher and Sir Keith Joseph, the Education Secretary, drew a prompt and angry response from BL, which criticized the document and attacked many of the statements and assumptions.

The report, copies of which are being distributed among senior ministers, argues for a move to public ownership. It is expected to announce a further wave of redundancies, said last night: "Unfortunately it does nothing of the kind. Instead, it creates a number of new and quite false misconceptions of its own."

In spite of an investment of more than £1,700m by the taxpayer, the report says, the BL Leviathan was still a long way from viability. The plan for the break up of the company was designed partly to ensure the future of the British car industry and its components and other suppliers.

In its swift response to the document BL cites a number of more "glaring errors" which it attacked in the report including claims that the company's market share had fallen over the past five years, while failing to point out that BL Cars has improved its market share this year to more than 19 per cent.

British Leyland: A Viable Future Centre for Policy Studies, £2.

Engineering export orders increase by 41 pc

By Rupert Morris

An encouraging rise in export orders for British engineering industries is revealed today in figures from the Department of Industry.

New export orders have increased by 41 per cent in the three months ending in August, with a 7 per cent increase in sales leading to a 14 per cent boost for export order books.

The number of orders on hand is back up to a level last attained in 1979, and further improvements are expected in the light of a number of big contracts that have been signed since August.

Heavy engineering has benefited particularly from the export rally, while the home market has remained subdued in spite of a gradual improvement in order books.

The trend of total new orders in the machine-tool industry continued to rise, with sales to domestic consumers in August the highest since November last year.

Mr Ronald Lynch, Chairman of Alfred Herbert, a leading machine-tool manufacturer, said in London yesterday that it was essential for Government and banks to work together to ensure that industries such as machine-tools were given sufficient investment to enable them to survive in the face of Japanese competition.

The world market for computer numerically controlled (CNC) lathes would increase from 48,000 this year to 76,000 by 1985, Mr Lynch said, and if British industry was not careful it would be swamped by the Japanese, who have raised production of CNC lathes from 2,000 in 1971 to more than 12,000. In the same period, their exports had increased from 31 to 6,594.

Stock Markets

FT Index 511.7 up 8.2	FT Gilts 64.62 up 0.65
FT All Share 303.08 up 1.2	Bargains 18.874

Sterling

\$ 1.9115 down 30 points	Index 90.6 up 0.3
New York \$ 1.9025	

Dollar

Index 106.5 down 0.4	DM 2.2412 up 42 pts
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Gold

\$398.50 up \$4	New York \$ 399.6
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Money

3 mth sterling 14 1/2-14 3/4	3 mth Euro \$ 121-122
6 mth sterling 12 1/2-12 3/4	6 mth Euro \$ 121-122

PRICE CHANGES

Rises	
BPI Ind	10p to 27 1/2p
BP	8p to 310p
Brit Aerospace	11p to 194p
Ferranti	15p to 550p
GEC	15p to 74 1/2p
GKN	10p to 16 1/2p
Lucas Ind	8p to 209p
Met Box	10p to 156p
Plessey	13p to 33 1/2p
Ryl Bnk of Scot	17p to 175p
Shell Trans	15p to 37 1/2p
Trust Secs	15p to 32 1/2p
Tunnel E	20p to 460p
Ultramar	8p to 48 1/2p
Ward TW	18p to 144p

Falls

AGR Research	7p to 23 1/2p
BP	5p to 120p
City Offices	5p to 123p
CRA	6p to 167p
Husky Oil	25p to 520p
MM Holdings	6p to 182p
MYD (Mangula)	2p to 21p
Martin R	15p to 115p
Mercantile Rse	20p to 42 1/2p
Micreacore	5p to 83p
Powell Duffryn	6p to 234p
Renold	2p to 38p
Western Areas	6p to 198p
Western Mining	9p to 23p
W Rand Cons	4p to 81p

Investment doubles

New business figures from the Life Offices Association reveal that a lump-sum investment continues to appeal, bringing total sales for the nine months to the end of September to £195.8m, a 95 per cent increase on the same period last year.

Regular premium business has been relatively quiet by comparison showing only a 20 per cent increase over the same period of last year. The total for the nine months to September 1981 was £122.5m, or 62 per cent of the total for the last three months.

Big deal in Warrington

The Playboy Club of London, at present negotiating a £17m casino and betting shop sale to Trident Television, is to sell six bingo halls to Greenall, Whitley and the Warrington-based brewer, makers of Vindervodka, subject to Gaming Board approval.

If the Trident deal goes through, the bingo clubs would have been Playboy's remaining British asset. Greenall, which has four bingo halls already through its subsidiary, Stanney-Jones Group, intends to buy more.

Construction orders advanced by 5 per cent during the first nine months of the year compared with the same period of 1980. The sector reflecting the largest increase in work in the third quarter was private industrial building, which surged 36 per cent.

A statement may be made today, according to unconfirmed reports from Bonn, on the controversial export of natural gas from the Soviet Union to Western Europe.

BUSINESS BRIEFING

Bankruptcies hit a peak

Bankruptcies and liquidations of companies are still rising despite the Government's efforts to help small businesses (Derek Harris writes). To the end of October, there were 30 bankruptcies, a 30 per cent increase on the same period of last year and liquidations by 29 per cent.

There were 530 bankruptcies in October—the highest monthly total so far this year—and 968 company liquidations. The Department of Trade returns showed yesterday. It brought the number of bankruptcies so far this year to 4,294 and liquidations to 7,206.

The first shipment of oil from the Nigg terminal involving the loading of 500,000 barrels from the Beatrice field on board a tanker under charter to Shell was made yesterday.

Production from the Beatrice field began in September and is scheduled to reach a maximum daily output of 60,000 barrels daily. Companies involved in the Beatrice partnership include the British National Oil Corporation, British Petroleum Development and Deminor (UK).

Italy's AGIP S.A. State Oil Company announced an important oil discovery off Egypt, 50 kilometres east of Port Said in territorial waters returned to Egypt by Israel two years ago under the Camp David agreement. It is the first oil found in Egyptian waters.

Nigg terminal ships its first oil

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Estate agents join forces

More than 1,300 estate agents offices have joined forces under the umbrella of a marketing consortium called National Estates Network to provide house buyers and sellers nationwide coverage through a multi-listing service. The scheme becomes operational on January 1, 1982, and brings together Britain's two leading networks, National Network and Home Relocation.

GKN move on rates

GKN, the big engineering group, is protesting a £370,000 supplementary rates demand has called on the West Midlands County Council to authorize boroughs in the area to retain the 14p precept pending the outcome of legal decisions. The Group made the request in the light of the recent Court of Appeal decision over London Transport fares.

Lord Erroll of Hale, President of the Institute of Directors, last night attacked the rates burden on businesses at the institute's annual dinner.

Profits stable

Mr Rupert Murdoch, chief executive of News Corporation, yesterday forecast virtually unchanged profits for the current financial year compared with last year. He told shareholders at the annual meeting in Adelaide the forecast was being made despite substantially lower profits expected for the first six months of the year.

Company News, page 20

The Chicago-based Continental Illinois, the United States' seventh largest bank, cut its leading rate to 16 per cent yesterday, the second bank to do so. In Bonn, the West German

SHELL OIL PROFITS UP BY £33m

Royal Dutch/Shell oil group yesterday announced a £33m increase in third-quarter profits, but the company's nine-month total at £865m was lower than the comparable 1980 profits.

Net income for three months to the end of September rose from £331m to £424m, which was 27 per cent higher than the City's expectations. The shares rose 16p to 376p.

The nine-month income total of £920m compares with £1,789m for the corresponding period last year.

Company directors said that after accounting adjustments, third-quarter net income was some 46 per cent higher than in 1980, and more than double this year's second-quarter total.

The figures reflect increased earnings by Shell Oil in the United States and a significant turnaround in the manufacturing, marine and marketing sectors of companies in the group which had been trading at a substantial loss on a current cost of supplies basis in the first half.

Excluding Shell Oil and Shell Canada, earnings in the rest of the group showed an improvement.

Godfrey Davis holds up

Ford's consistent appeal to businessmen and private car buyers has again proved a major part in holding up the half-yearly profits at Godfrey Davis, the Ford main dealers, according to Mr Cecil Redfern, group chairman. He said yesterday that the dealerships' car sales have held up well though fleet managers have been shopping around for discounts, and dealers' margins continue to be under pressure. The contract hire and leasing side of the business now represents around 30 per cent of all new car business nationally.

Galliford Brindley

Year ended	Turnover	Pre-tax profit
30 June	£'000s	£'000s
1977	3,450	2,346
1978	38,582	2,514
1979	51,846	2,870
1980	62,087	3,163
1981	65,270	3,317

At the annual general meeting, held on the 19th November 1981, the Chairman, Mr. Peter Galliford, said:-

"An encouraging start has been made to the trading year. Enquiries generally remain at a good level, but turning them into orders with an acceptable return has become progressively more difficult in the last few months.

We will seek to produce a satisfactory result for the current year and, even more important, to exploit our strengths to ensure continued growth in the years ahead."

Copies of the Report and Accounts may be obtained from the Registered Office, Walsley, Huddersley, Leicestershire, LE10 3HL.

Renold fails to stem pretax loss

Renold, the maker of power transmission and mechanical handling equipment, is still suffering from the general malaise of the engineering industry.

Last year's rationalization programme has failed to stem the group's pretax loss to a pretax loss of £1.45m in the six months to September. This compares with £3.2m last time on sales which declined £7m to £60m in the period. The half-year dividend has been passed again as was the final last year. Nevertheless, there was a glimpse of confidence yesterday with the group's shares rising 2p to 39p.

Higher interest charges at £3.2m compared with £2.8m were the real burden, absorbing any small trading profit made. They reflect the higher rates over the year but the group hopes to have borrowings down by the year end.

Port development

Parsons Brown and Newton, the London consulting engineers, have been asked by the Communications Ministry to design the first stage of a new port at Suez for fishery development.

Chubb fire contract

Chubb Fire Security has won two contracts together worth £1.5m for the fire protection of the gas compression facilities being installed on Total Oil Marine's MCP 01 manifold and compression platform.

Rolls strike ends

The unofficial strike by 1,500 craftsmen at the Rolls-Royce aero-engine plant at Hillingdon, Glasgow, has ended after four weeks. A meeting of the workforce agreed to return to work on Monday.

Mediterranean oil

Italy's state oil company has made an important oil discovery in the El Tina Gulf off Egypt's Mediterranean coast in territorial waters returned to Egypt by Israel in 1979 under the terms of the Camp David agreement.

More Korean ships

South Korea exported ships and maritime structures worth \$1,240m (£652m) in the first 10 months of this year, 37.8 per cent more than the 1980 target of \$900m. This compares with \$515m worth of shipbuilding exports in the same period of last year and \$618m in the whole of 1980.

£17m nuclear deal

Pipework Engineering, a British Steel Corporation subsidiary, has been awarded orders worth £17m by the National Nuclear Corporation for work at the advanced gas-cooled Heysham 2 in Lancashire, and Torness, in Scotland.

Base Lending Rates

ABN Bank	15%
Barclays	15%
BCCI	15%
Consolidated Creds	15%
C. Hoare & Co.	15%
Lloyds Bank	15%
Midland Bank	15%
Nat Westminster	15%
TSB	15%
Williams and Glyn's	15%

* 7 day deposit on sums of £10,000 and over 10% over £50,000 14%

BIRMINGHAM District Council

Drop-lock Stock 1986/93

for the six months from 20th November, 1981 to 20th May, 1982 the interest rate on the above stock will be 15.250% per annum.

Morgan Grenfell & Co. Limited

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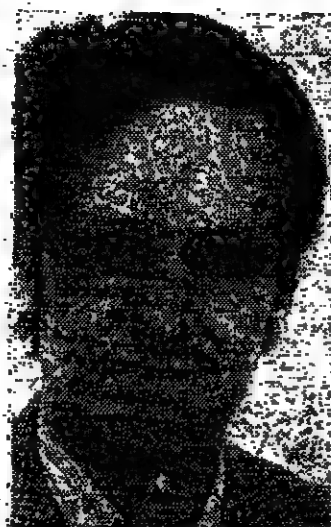
27/28 Lovat Lane London EC3R 8EB Telephone 01-621 1212

The Over-the-Counter Market

High	Low	Company	Price	Chg	Vol	Yld	Actual	P/E	Fully Paid
114	100	ABI Hides 10% CULS	114	+2	10.0	8.8	—	—	—
75	39	Airsprung Group	67	-1	4.7	7.0	10.6	14.7	—
52	21	Armstrong & Rhodes	43	-1	4.3	9.7	3.6	8.1	—
200	92	Bardon Hall	191	-2	9.7	5.1	9.3	11.3	—
104	88	Deborah Services	96	-1	5.5	5.2	4.7	9.0	—
126	88	Frank Horsell	122	+1	6.4	5.2	11.0	26.5	—
110	39	Frederick Parker	59	-1	1.7	2.9	25.7	—	—
110	47	George Blair	47	—	—	—	—	—	—
102	93	IPC	99	+1	7.3	7.4	7.1	10.8	—
113	59	Jackson Group	98	-2	7.0	7.1	3.1	7.0	—
130	103	James Burroughs	110	-2	8.7	7.3	8.0	10.1	—
334	244	Robert Jenkins	287	-5	31.3	10.3	4.0	10.1	—
59	50	Scruttons "A"	56	-1	5.3	9.5	8.6	8.0	—
224	177	Torday Limited	172	-6	15.1	8.5	8.8	11.7	—
23	6	Twinklark Ltd	14	-6	—	—	—	—	—
58	63	Twinklark 15% ULS	72	-10	15.0	20.8	—	—	—
56	33	Unilock Holdings	33	-3	6.0	5.1	5.9	10.0	—
103	81	Walter Alexander	84	-3	6.4	7.6	5.5	9.8	—
263	181	W. S. Yates	218	-13	13.1	6.0	4.1	8.4	—

Technology focus on computers

Tapping Britain for talent



Kowalski



Michie



Gurd

Research team leaders who have interested the Japanese

Leaders of the three computer research groups are: Bob Kowalski, an American who has been at Imperial College since the late sixties in logic programming. The aim is to programme computers to analyse problems in the same logical terms as humans (as opposed to the conventional practice of contorting problems to suit the machine).

Last week Professor Tohru Moto-Oka of Tokyo University, who heads the project, flew from Japan to spend two days in Britain. He told *The Times* that he had come specifically to talk to Dr Kowalski and Dr Gurd about their work. In September he had visited Dr Michie in Edinburgh.

Professor Moto-Oka said that he was still at the preliminary stage of gathering information about work abroad that might fit into his project and of laying the groundwork for formal cooperation links that he hoped would follow later. Prospects for collaboration were better with Europeans than with Americans, he suggested, though some people in Europe were "very suspicious" about his motives. Meanwhile, the British scientists who have been approached are gently resisting. Professor Moto-Oka's undoubted charm (and that of other Japanese who have made more definite offers of

collaboration). They are waiting, with growing impatience for the Department of Industry and the Science and Engineering Research Council (SERC) to answer their appeals to respond to the Japanese project and to give them some guidance.

Last July a group of researchers met privately under the auspices of the British Computer Society to discuss the fifth generation project, whose scope was just becoming apparent. They resolved formally that "at the very least, arrangements for technically informed monitoring of Japan's fifth generation project should be set up by SERC and kept in being as a long-range exercise; that SERC urge the appropriate government agencies continually to review the need to match the style if not the scale of the Japanese coordination of industrial and academic research in these areas."

The signatories have not yet received a reply to their resolution, which was sent to

Donald Michie, Machine Intelligence Research Unit at the University of Edinburgh is investigating expert systems. The intention is to give a machine the combined knowledge and understanding of human experts in a particular field — say, in medicine. People could then ask the machine for advice — for example, how should I treat a patient with these symptoms?

But, beyond that, it is not clear whether any government agency or department has serious plans for harnessing the talents of the isolated groups working on different facets of what the Japanese have drawn together and called the "fifth generation computer". (The first generation computer, born in the 1940s, used valves, the second semi-conductors, the third integrated circuits and the fourth, now being developed commercially, uses large-scale integrated circuits.)

Clive Cookson

Jobless figures lead Reagan into Budget clash

From Bailey Morris, Washington, Nov 19

President Reagan is heading for a confrontation with Congress over his 1982 Budget resolution unless a compromise on spending levels can be reached before midnight on Friday.

Mr Reagan has threatened to veto the stop-gap measure if the price tag of \$400,000m (£209,000m) is not reduced, to raising the possibility that federal offices and services will have to be shut down.

The resolution now winding its way through the Senate is an interim measure authorising overall spending levels for federal programmes until bills for specific programmes such as defence and social services are passed. The present continuing spending resolution expires at midnight on Friday.

House members, reacting to growing unemployment in their districts, approved a measure setting spending levels well above those outlined by Mr Reagan. The Democratic majority passed the measure with the support of 18 Republicans who refused to agree to additional cuts in social services.

The Senate version is also far more expensive than the President's proposal since it calls for across-the-board cuts in federal spending of only 2 per cent, rather than the 12 per cent demanded by Mr Reagan.

A bipartisan group of senators said during the debate that they could not vote for further reductions in government services to their constituents.

This prompted a flurry of last-minute negotiations between White House officials and Senate Republican leaders.

Small businesses were yesterday offered the backing of a "big brother" to help them "grow".

The offer came from a furniture company which began as a small family concern and now has an annual turnover of more than \$5m from its 50 shops throughout Britain.

Mr Patrick Jenkin, the Industry Secretary, is to visit H-Plan Fitted Bedroom Furniture in Luton, Bedfordshire to see how the company has managed to succeed so well during the recession.

The company's joint managing directors, Max Lomax, and his son Peter, are offering backing to those wishing to start their own companies.

They have developed three purpose-built factory units in the village of Northamptonshire. They will shed 5,200 of its staff at a cost estimated at about £40m.

The new job cuts come only six months after the company announced plans to shed 5,200 of its staff at a cost estimated at about £40m.

Mr Christopher Liddell, the chairman of ICL said yesterday: "We deeply regret the need for this further manpower reduction programme. We hope that part of it can be achieved voluntarily and that it will be the last major reduction on a company-wide basis."

The redundancy proposals published yesterday include plans to close the manufacturing plant at Plymouth Grove in Manchester. The full breakdown on the redundancy programme is manufacturing and supply 750, marketing 430, development 200, application systems and services 70 and corporate divisions another 50.

The 1,500 includes only those jobs expected to be lost in Britain. The company's operations in marketing overseas are expected to be cut.

Mr Robb Wilmut, managing director of ICL, in a statement to staff, said: "Overseas, we anticipate making appropriate reductions in marketing operations to reflect the

are to try to avert a crisis when the measure is voted on by the full Senate. After that vote, House and Senate members will meet to agree on a final version to put on the President's desk before midnight on Friday.

President Reagan has offered to meet Congress halfway, as he called it, agreeing to across-the-board reductions of 5 per cent. This was rejected.

Senator Howard Baker, the Senate majority leader, presented his colleagues with another "veto proof" compromise, calling for spending cuts of 3.5 per cent.

Meanwhile, Mr Thomas "Tip" O'Neill, the House speaker, claimed Mr Reagan is looking for an excuse to veto the measure to try to shift the blame for the growing recession onto Congress.

If the President does veto the final version on the grounds that it is a "Budget-busting spending Bill", both House and Senate leaders said they would meet continuously over the weekend to try to agree on a solution.

The vote on the Budget will be a "first" on two accounts. It will be the first public airing of the growing philosophical differences between Republicans and it will be the first test of the White House's ability to contain a mutiny.

Even if Mr Reagan wins this battle, he faces tougher ones in the months after he signs the Budget for the 1983 financial year to Congress.

Nothing of weight will be done on the President's economic programme until then.

Small firms offered chance to expand

By Our Correspondent

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Steel row adds to tension in US talks

From Our Correspondent

Washington, Nov 19

WEC officials arrived in Washington yesterday for talks being held in an atmosphere of rising tension over steel problems serious enough to trigger a trade war.

The high-level European community delegation, led by Sir Roy Deakin, has put steel and agriculture at the top of the list of the trade matters to be trodden out.

European officials plan to protest against a series of unprecedented steel import suits recently announced by the Reagan Administration as well as the United States attack on the community's Common Agricultural Policy through the general agreement on tariffs and trade.

Before their arrival, two members of the Reagan cabinet described relations with the EEC as "particularly tense" because of steel cases which they fear could result in some form of European retaliation.

In addition to steel and agriculture, energy matters are also on the agenda at the suggestion of the Community

ICL to shut factory

By Bill Johnstone, Electronics Correspondent

ICL, Britain's largest computer manufacturer, is to close a factory in Manchester and make 1,500 employees redundant at a cost of £20m.

The new job cuts come only six months after the company announced plans to shed 5,200 of its staff at a cost estimated at about £40m.

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Tokyo looks at limits on exports

From Peter Hazellhurst, Tokyo, Nov 19

The Japanese Government confronted with growing threats of protectionism from Western industrialized nations, has asked senior officials to examine the consequences of restricting exports of cars, colour-television sets and machine tools to the European Community next year.

A tentative plan to limit "sensitive" exports to Western Europe was discussed in the Ministry of International Trade and Industry this week after Mr Zenko Suzuki, the Japanese Prime Minister, and leading businessmen warned industrialists they can no longer flood this narrow market sector.

Senior officials say the plan is being worked out on the basis of holding exports to Europe at this year's levels. If it is implemented, the government will also enforce

a minimum price on the highly efficient machine-tool manufacturers' and exporters for another year, an official directive which imposes minimum prices on the industry is due to expire this year. A western diplomat claimed tonight: "The idea of forcing machine-tool manufacturers to sell at higher prices for one more year is being contemplated to appease European criticism."

Japanese officials said the plan will be put to the European Community at a meeting of senior Japanese and European officials in January.

Japan has come under increasing pressure recently to take urgent steps to balance its lopsided trade surplus with Europe. European and Japanese economists agree that its \$9,000m (£4,740m) trade surplus last

year could rise to a record \$11,000m.

Ironically, the threat of protectionism has come when figures indicate that the volume of the more controversial types of exports to the European Community, such as cars and colour television sets, declined during the first ten months of the year. For instance, car exports to Britain declined by 10 per cent to 139,235 against the same period last year. However, in terms of value, these exports rose by 6 per cent to \$508m.

Similarly, car exports to the European Community declined by 2 per cent in volume, but rose by 7 per cent in value during the same period.

In sharp contrast, Japan's total imports of cars declined by 34 per cent to a mere 24,751. Its total exports of cars numbered 3,668,626.

Japan's exports of colour television sets to the world rose by 36 per cent with a 3 per cent decline in shipments to the European Community.

Under the new plans, Ministry Officials believe Japan will ship 700,000 cars to the European Community this year and that will be the limit for next year if the plans are sanctioned.

Japanese exports of video tape-recorders to Britain rose by 156 per cent to 650,000 during the first ten months of the year, giving Japanese manufacturers \$368m.

Japan's four main trade union organisations have agreed to seek pay rises of at least 9 per cent in the spring (Reuters reports from Tokyo).



Gold rush: A guardsman has to use a loudspeaker to control people jostling to buy gold at a Tokyo jewelry shop yesterday after Japanese retail prices of gold dropped to their lowest levels in two years.

LEGAL PLEA TO HELP CAR BUYERS

Urgent Government action to give more legal protection to buyers of used cars is needed, Mr Gordon Borrie, Director General of Fair Trading, said in Birmingham yesterday.

Complaints about used cars are continuing at a high level, with the 10,631 officially reported in the first quarter of this year probably being only a small proportion of the problems actually arising, Mr Borrie said.

Winding back mileometers was still a common practice, according to the trading standards offices. But Mr Borrie acknowledged that improvements made to a code of practice for the motor industry last March should help to protect buyers.

Business appointments

New chief at Leeds Permanent

Mr Peter Hemingway, a general manager of Leeds Permanent Building Society, has been appointed as chief general manager from June 1 next. He succeeds Mr Stanley K. Walker who is retiring on May 31.

Mr T. J. Ronayne has been made director of international sales and marketing by DeLorean Motor Cars. Mr Ronayne was formerly managing director of Talbot Ireland.

Mr P. J. White has become a non-executive director of Thomas Robinson & Son.

Mr G. Ringwood has joined the board of Hickson and Welch (Holdings).

Mr H. Stirk has been appointed as personnel director of Thames Board from January 1 next. He will retain his existing responsibilities as personnel director at Thames.

Captain Iain M. Tennant is joining the board of Abbey National Building Society from next month. He also becomes chairman of the Society's Scottish Advisory Board, on which he has served since its formation in 1968.

Mr Douglas R. Oughton has been appointed a partner of Oscar Faber & Partners, St Albans.

Mr D. M. Milne has become chairman of the NFU Mutual & Avon Insurance Group after the death of Mr R. Cary.

Mr G. H. Ballard has been made vice-chairman of the group in succession to Mr Milne.

CYCICAL INDICATORS FOR THE UK ECONOMY

Based on the Central Statistical Office Indices of the UK business cycle

	Longer leading (5 indicators)	Shorter leading (5 indicators)	Coincident (5 indicators)	Lagging (5 indicators)
1980				
Oct	105.3	100.6	94.2	88.0
Nov	107.5	100.8	92.7	85.6
Dec	108.5	101.0	93.4	84.1
1981				
Jan	111.4	101.8	92.9	83.0
Feb	113.6	102.5	92.7	81.9
Mar	110.8	103.8	92.4	81.4
Apr	115.9	104.8	91.6	80.7
May	116.1	104.9	91.8	79.8
June	115.8	105.2	92.1	78.6
July	115.4	105.6	92.9	80.3
Aug	114.5	106.7	93.2	80.2
Sept	113.2	106.2	93.6	79.8
Oct	110.6	106.9	94.3	79.0

BY THE FINANCIAL EDITOR

The improving trend at Shell

Royal Dutch/Shell has performed rather better in the third quarter of the year than the stock market expected, even allowing for differences over the treatment of the accounts and the impact on profits of currency movements. Net income for the three months to September rose from £391m to £424m compared with the wide expectations in the City of a figure between £250m and £500m. For the full nine months the group produced £920m against £1,789m in the comparable period of 1980.

The key lies in the turnaround in the manufacturing, marine and marketing operations of the group outside North America. Here earnings rose from £171m to £236m on a nine-monthly comparison, while Shell Oil and Shell Canada saw their contribution improve to £177m. Looking at the figures on a stock replacement basis, rather than Shell's own first-in-first-out (FIFO) system, which would produce only £114m in place of the £236m. But on this basis the manufacturing, marine and marketing operations which would have sustained a loss of £88m in the second quarter, managed a turnaround of some £200m.

The principal reason behind this improvement is a useful turnaround in European refining and marketing. With lower crude oil costs and firmer selling prices, margins improved. In fact Shell has managed to erode the competitive disadvantage it was labouring under when set against those companies which bought their oil from Saudi Arabia. This amounted to a \$2 a barrel differential, and it is hardly surprising, therefore, that Shell's statement yesterday welcomed the recent Opec agreement on pricing as restoring rationality in the structure of pricing and said it was an important positive factor for the group.

The currency jolts this time reduced profits in sterling terms by £197m, thanks to American accounting standards. So instead of earnings being £424m, a fairer representation would arguably be £621m. Whatever interpretation is used and however the statement is analysed, it is difficult to argue against the stock market's snap judgement which put the shares up 15p to 376p.

Money supply

Reasons for caution

Even though we had had the Bank's provisional estimate of 1½-1¾ per cent growth in sterling M3 last week, yesterday's final figures showing a 1.7 per cent growth in the five weeks to mid-October proved slightly disappointing. Not that there was anything unexpected in the bank lending figures, which were rather better than the previous two months. Moreover, with a marked slowdown in the growth of building society deposits, PS1 2, the broadest measure of liquidity, grew at a relatively sedate 1.1 per cent, while narrow money (M1) showed a modest fall.

That said, there were a number of other indicators in the figures to raise feelings of unease. The central government borrowing requirement was well covered by the strong revival in private sector take-up of public sector debt, but it is also clear that the CGRR has been benefiting recently from a large switch by local authorities and/or nationalised industries from National Loans Fund to banking sector borrowing.

US Steel/Marathon

Another rebut for Mobil

US Steel's bid for control of Marathon is not yet signed and sealed, but for the second time in three months Mobil management appears to have miscalculated on a grand scale. After losing the battle for Conoco to Du Pont, Mobil gave the impression that it would not attempt another unfriendly offer. So even by the strange standards the American natural resources industry has set this year the Mobil bid looked odd.

To be fair, however, Mobil could be forgiven for not anticipating that the victor in the second round would be US Steel. The American steel industry has not shone in recent years, and has been kept aloof largely by import protection and a drastic pruning of domestic activities. Nor was US Steel in evidence

when other oil interests were up for sale earlier in the year.

But, of course, it is precisely because US Steel is embedded in a declining industry that oil is attractive to it. Whatever happens to world energy prices over the next few years, there is still plenty of room for American energy companies to expand at home. The assumption of rising earnings from Marathon must have prompted US Steel to deliver the knockout blow of \$125 a share, still some \$60 a share below the estimated value of Marathon's oil reserves.

It is these reserves, mainly held by Yates, which are the key to Marathon's attraction and to the way the deal with US Steel has been structured. By granting US Steel a \$2,800m cash option on Yates, Marathon has made itself much less enticing to yet another third party. The option to buy 10 million Marathon shares at \$90 will have a similar effect. The arithmetic of the agreement is such that one wonders how long it will be before another American natural resource company falls prey.

Boots

Competitive pressures

With half-time pretax profits up 13.9 per cent at £54.1m at Boots, the market quickly ran the share price up 6p to 249p. But once it had done its sums, suggesting a £4.8m for property sales and £3.8m for exchange gains, it ran the price down again to 202p, 1p below the previous day's close. Boots' industrial side performed better than expected, profits up by 24.5 per cent, thanks to pharmaceuticals proving a mature but enduring market. However, it is the retail side that is causing concern. Although retail sales were up by 12 per cent, profits were down by 22 per cent.

Bearing 75 per cent of a £2.5m increased company pension contribution is only a small part of the reason. Salaries and overheads in all those high street stores have got higher. Margins are being squeezed severely, particularly on photographic processing and National Health Service business, important for getting customers into the stores. The impact of supermarkets and discount chemists is being felt and Boots has had to price-cut aggressively itself to keep up market share. In as much as there has been real volume growth of 2.5 per cent, the strategy is working, although selling space is 2 per cent greater than in the previous half.

Boots' second half performance will depend, as usual, on the important Christmas period. Aggressive marketing and the company's usual resilience in the face of depressed consumer spending will keep sales up, but with margins under such severe pressure, analysts are already revising their full year profits forecasts down to £110m-£115m from £130m.

Akroyd & Smithers

From feast to famine

The gaping wounds in stockjobbers' profits left by Mr Joe Granville and the investment strike which followed his bearish remarks in the Autumn are beginning to show through. In its second half (to September 25) Akroyd & Smithers lost £1m, leaving profits for the year down from £20m to £6.3m. But Akroyd is increasing the dividend slightly to a gross 19.2p, maintaining some form of bonus for its staff, but passing the profits-related dividend which last year was a gross 3.57p. The market was thankful the picture was no worse following Wedd Durlacher's decision last month to pass half-time staff bonuses, and marked the share up 2p to 153p.

The results underline the fact that making a market in shares, gilts and traded options is not for the nervous when trade is thin. Market swings are measured in double figures and the Government is trying to avoid issuing "tap" stocks, which the jobbers have found so lucrative in the past. The picture is still hazy. Yet all Akroyd will say, coyly, is that the current year has been reasonably satisfactory.

A Whitehall battle is going on between those who believe that legislation is now necessary to inhibit foreign banks and those who support a free market policy

Should the Bank of England rule?

When Treasury ministers fall out, the issues must have wider importance than whether Hongkong and Shanghai Banking Corporation or Standard Chartered controls the Royal Bank of Scotland. No less than the methods by which the Bank of England and the Treasury first control the United Kingdom banking system and, secondly by implication implement economic and monetary policy, lie behind the joint Bank/Treasury proposals to warn off foreign takeovers of important financial institutions. The proposals are to be discussed in the Cabinet's economic strategy committee next week.

Passions have been aroused as never before within the Bank by fears that its long-standing policy of governing London's banking community by means of guidelines, friendly warnings and lurches with senior bankers has been blown apart by the refusal of the Hongkong Bank's chairman to take no for an answer when he sought permission to approach Royal Bank. By crashing through the Bank's 1972 general guidelines on foreign bids Mr Sandberg has forced the authorities to consider legislation as a final resort to protect their power and influence.

But the Bank's heated reaction to the threat to its influence and discretionary powers, has met with a cool response not only among some Treasury ministers, but also at the Foreign Office and the Department of Trade.

Any restrictions on foreign bidders for an important United Kingdom financial institution would, according to the dissenting ministers and other concerned Whitehall departments, invite retaliation — especially from America — and, contrary to the liberalisation of financial services within the European Community, for a Government firmly wedded to the free market principle, and which has abolished exchange controls, protective legislation

would be embarrassing at least.

So the battle-lines have been drawn up, with the Bank seeking to retain its discretionary powers and the Foreign Office and the Department of Trade adopting the position that the Bank's views are too narrow when set against the wider principles of free trade.

The dispute was illustrated on Wednesday this week by the statement to the House of Commons by Mr Humphrey Atkins, the Lord Privy Seal, in which he asserted that Hongkong Bank was considered to be British and that regulatory methods in the Crown Colony were perfectly adequate. This is directly contrary to the Bank's views.

Again, since the Hongkong Bank launched a counter-bid to Standard Chartered's offer for the Royal Bank in April there has been a well-orchestrated campaign by the Foreign Office and industry in support of Hongkong Bank based on the beneficial trade links between the United Kingdom and the Colony, not to mention China, where the bank has some influence.

Concern is being expressed in Whitehall that if the Hongkong Bank is seen to be discriminated against valuable trading opportunities could be at risk.

Certainly the Bank of England and the Chancellor acknowledge the free trade implications which the Foreign Office and others believe override the Bank's concern about its control methods. But at the heart of the Bank's argument is the view that banks are a special case because of their vital importance in the operation of monetary and economic policy.

The 1972 guidelines which requested any potential foreign bidder for a United Kingdom financial institution to ask the Bank's permission first, and agree terms later, have worked well enough until the entry of Hongkong Bank earlier this year. Now they must be tightened up, probably with the force of



Keeping up with events at the Bank of England: the Bank has traditionally exercised supervision by means of informal guidelines.

stature, because other banks (including possibly United Kingdom ones) might be tempted to follow Mr Sandberg's example and ignore Bank of England guidelines.

It is this threat which has forced the Bank and the Treasury to search for improved methods by which to exercise informal control of the banking system might be continued. Suppose, for instance, that Citibank had gained possession of Lloyds or Midland just before President Carter, in November 1979, ordered all American banks at home and overseas to freeze Iranian assets in retaliation against the seizure of the American hostages in Teheran? The prospect of Midland or Lloyds shareholders and depositors suffering because of a foreign directive would be a shattering blow to any government's prestige and would hardly be conducive to the national interest.

Again, it is no secret that after the abolition of exchange controls two years ago the Bank sent a letter to all banks in London requesting restraint in their foreign

currency lending to avoid upsetting monetary growth targets. By and large the clearing banks accepted the directive, then found themselves losing market share as foreign banks in London ignored the Bank's letter and serviced the needs of United Kingdom customers who wished to switch cash into dollars, Swiss francs, or Deutsche marks. This kind of lending helped to burst the corset and led to an explosion of the money supply in the summer of 1980.

It is because of this kind of defiance that the authorities are preparing a replacement for the 1972 rules. Fully aware of the Government's free market principles neither the Bank nor the Treasury will relish introducing legal measures to deter foreigners who might be casting covetous eyes on the highly profitable United Kingdom banking sector, but it seems to be proving impossible to devise a middle way between legislation and guidelines which have failed.

Under the Banking Act 1979 it would be possible to refuse a licence to a bidder

who was not deemed "fit or proper" to control a United Kingdom bank. But this sledgehammer approach can be ruled out, since it would damage both a bank's shareholders and depositors.

More likely, the Bank/Treasury team will propose that any bid for an important United Kingdom institution, whether domestic or foreign, which operates against the national or strategic interest will not be allowed. And that refusal will either be in the form of a directive, backed by the Government, or a new Act of Parliament.

The conflict between the strongly held view of the Bank and the Treasury that banks are a strategic asset which should not be allowed to pass into foreign hands, because this would diminish supervision of the economy, and the free trade argument will deepen and fuel more passion in Whitehall. The Monopolies Commission report on the rival bids for Royal Bank which triggered the argument has raised issues of far greater moment than can ever have been realized.

Kevin Page

The danger of retaliation from abroad

The proposals put forward by the Bank of England for legislation, to prevent future takeovers of United Kingdom banks come at a time when the trend internationally is towards allowing the free entry of competitors into domestic financial markets.

The Campbell Committee report, published earlier this week in Australia, has recommended sweeping deregulation of the financial system, abolition of exchange controls and, significantly, the lifting of the ban on foreign banks setting up in Australia. This latter recommendation is in tune with similar changes introduced in Canada, where the 1980 Banking Act cleared the way for foreign banks to set up subsidiaries or branches, something which they were prevented from doing before.

London has, of course, operated for many years as a financial centre with easy access for foreign banks. Indeed, it has more foreign banks than any other financial centre in the world.

Of course, the Bank of England has always monitored all banks in the country and relaxed its informal guidelines on merchant bank takeovers in 1972. By implication, these guidelines have

been taken to include all bank takeovers.

It was always understood, however, that the parties concerned would consult the Bank and accept its rulings. The fact that the Bank now believes that legislation may be necessary is a sign that this understanding may no longer be sufficient.

The proposals for legislation raise the question whether a takeover of a leading British bank is indeed likely. The table shows the present stock market values of the four big clearing banks, but any bidder would have to pay substantially more.

Royal Bank of Scotland, for instance, was valued at about £200m before the bids from Standard Chartered and Hongkong and Shanghai Bank. The final price put on it of about £500m before the Monopolies Commission inter-

vened was roughly the asset value.

If Lloyds or Midland — the smaller of the four big clearing banks and therefore more vulnerable to a takeover — were bid for at around asset value, the price would in both cases be in the region of £1,300m to £1,400m. To put that in perspective the biggest bank in the world by market value, the Hongkong and Shanghai, is at present valued at £2,200m, while the two biggest American banks, Bank America and Citicorp, are worth £1,900m and £1,800m respectively.

This suggests that a full takeover of either Lloyds or Midland, while not impossible, is unlikely. It could, however, be well within the grasp of one of the big American banks to build up a large and influential shareholding in one of them.

Foreign control of one of the big four clearing banks might be only a remote possibility, but it appears to be a risk that the Bank of England is not prepared to run.

If legislation were to be introduced, the obvious fear is that it would quickly lead to retaliation, particularly from

Major purchases by British banks in the US

	Acquisition	Amount paid	Year
Lloyds	First Western Bank of California	\$115m	1974
Nat West	National Bank of North America	\$431m	1979
Standard Chartered	Union Bancorp	\$372m	1978
Barclays	First Western National	\$52m	1975
Midland	American Credit Corp	\$191m	1979
	AETNA Business Credit	\$165m	1980
	Crocker National Bank	\$820m	1981

the United States where over the last decade British banks have made large inroads through acquisitions. W. Greenwell recently estimated that British banks (including, ironically, Hongkong and Shanghai) had invested some \$2,500m (about £1,300m) in the United States since 1979.

Some argue that with these acquisitions now completed, British banks have little to fear from the threat of retaliation from the United States. But there could still be some casualties. The Bank of Scotland is thought to have been looking hard for an acquisition in America and if, for instance, both bids for the Royal Bank of Scotland were blocked and it remained independent it would doubtless want a presence in the crucial American market. It has long wanted to become more international.

The big four clearing banks could also have something to fear. Many believe that the long-awaited liberalization of the American banking industry is drawing near. Banks may soon be allowed to operate deposit-taking branches across state frontiers, while the strict separation between banks engaged in commercial banking and those involved in merchant

banking and stockbroking could be relaxed.

Moves in this direction could lead to rapid changes in the structure of the United States banking industry. Conceivably British banks, including those which have already established themselves in the United States, could be prevented or hindered from taking full advantage of the changes.

The attitude of the clearing banks towards foreign takeovers of British banks is probably fairly summarized by Mr Frank Dolling, the Barclays vice-chairman, who was quoted earlier this year as saying that as a general principle an international bank like Barclays which had a number of overseas acquisitions could hardly oppose foreign banks buying into the United Kingdom. But he went on to say that objections were justified if a significant part of the domestic banking market was involved.

There is little doubt, however, that the banking world would be reluctant to see the introduction of legislation which would conflict with the liberal traditions of London as a financial centre and which might have adverse consequences overseas.

Peter Wilson-Smith

Business Diary: Spotlight on Cinecitta's camera obscurer

Cinecitta, like the Colosseum, is now a station on Rome's underground system. For only 200 lire (about 9 pence), you can travel the six miles from the city centre in little more than 20 minutes. It would have been ideal for the crowds who used to throng the gates in the hope of being taken on during the hungry post war years when Sophia Loren and Gina Lollobrigida were becoming known.

But, like the Colosseum, will it become a memorial to the past? There is an air of once sleepy and empty about its Fascist designed, burnt-sienna buildings set amid pine lined avenues compared to the activity in the 1950s and 60s. Since the war 800 foreign and Italian films have been made in its nine studios. In these days, just one has been in production recently: Columbia's *Tempest*, directed by Paul Mazursky, starring John Cassavetes and his wife Gena Rowlands.

Pietro Ponti, Cinecitta's director general, puts a brave face on it. "Things are going well, in the sense that we succeeded in obtaining important clients like *Tempest*, Federico Fellini likes to make his films here, and so do some of the younger Italian directors, like Ettore Scola. But things could go better, because we need to register a



Not exactly queuing at the doors: Rome's Cinecitta film studios.

big turnover." Cinecitta's turnover last year was only 6,600m lire (now about £3m) against 94,000m (£42m) for all Italian movie makers.

Cinecitta, founded in 1937, is owned by the state's Ente Autonomo di Gestione per il Cinema, and, like most things belonging to the state, it runs at a loss. This is a pity its officials say, because, except for the Bavaria studio in Munich it is the only studio in Europe which can offer such a range of integrated facilities for film making.

Because Cinecitta is state owned, it has to observe all the rules and regulations, on pay scales, safety precautions, camera crew training, social insurance payments, and so on. It cannot take short cuts, as do some private studios.

Pietro Ponti, an engineer by training, came to Cinecitta 30 years ago to help clear up war damage and the mess from its use as a refugee camp. For people like him it must be sad to look back to the times when Cinecitta took in its stride for \$2m (1961) the reconstruction of the Roman Forum and near Nettuno on the coast of Alexandria harbour. This was for *Cleopatra*, the film which brought together Elizabeth Taylor and Richard Burton.

These were hectic days when production was dominated by Dino de Laurentiis

and Carlo Ponti. But Signor de Laurentiis' own studios on the Via Pontina, more modern than Cinecitta, have been closed for the last nine years, while Ponti and his wife Sophia Loren have become French citizens who rarely come to Italy after brushes with the law over taxation and currency.

Cinecitta's decline in fact reflects that of the industry as a whole in Italy, production reached a peak in 1972 with 277 full length films and 233 in 1976, since when it

fell to 163 in 1980. This year is bound to be still lower, as only 47 were made in the first six months.

Since 1975 France has overtaken Italy as Europe's number one film maker with an output in 1980 of 235 against 163, though 46 of the 235 were dismissed as "pornographic or violent" in a study by Banca Nazionale del Lavoro, which has a special section for credit to the cinema industry.

In their small way British film makers have not been

doing too badly, as the 21 films imported in 1978 for a market share of 2.8 per cent rose to 24 films in 1979 with a market share of 4.6 per cent.

Attempts are being made to revive interest in the cinema. The Venice festival, closed after 1968, was restarted two years ago. Since April Parliament has before it a government Bill for new incentives to producers, distributors and cinema owners, in the form of soft loans, grants, entertainment tax rebates and the like.

The Bill has been dubbed in

Moulinex

SALES DURING THE FIRST NINE MONTHS 1981
(IN MILLION FF)

The pretax sales of the mother company amounted to 1285.4 against 1271.0 for the same period in 1980

They are broken down as follows:

	1981	%	1980	%
France	523.4	41	479.9	38
Export	762.0	59	791.1	62

Consolidated sales reached 1641.3 against 1575.4 for the same period (1.1.80 to 30.09.80) which means an increase of 4.18%.

John Earle

Oils a strong feature

§ Forward bargains are permitted on two previous days.

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